

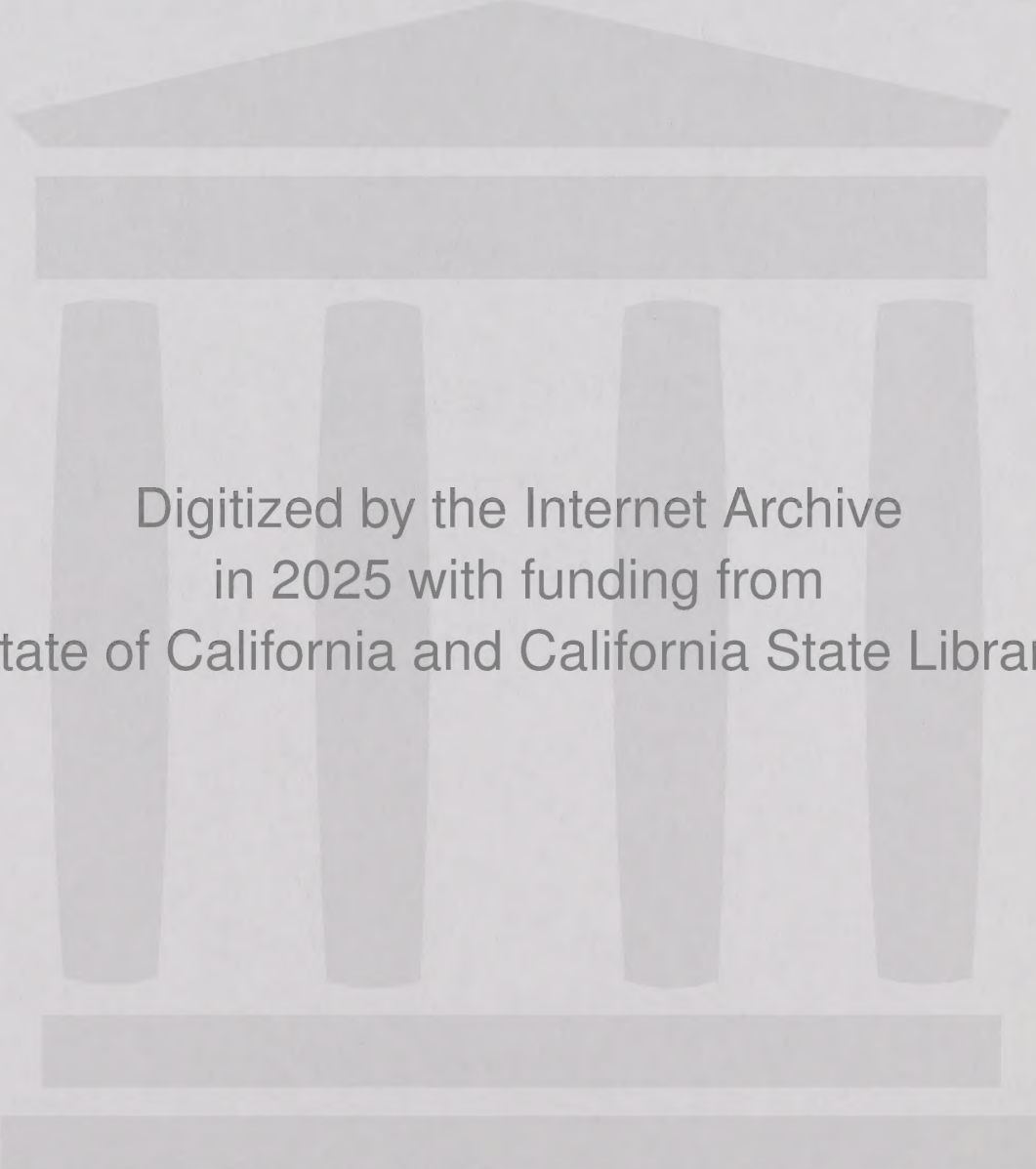
CITY OF FERNDALE

HOUSING ELEMENT

OF THE

GENERAL PLAN

DRAFT : MAY, 1992



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HOUSING ELEMENT

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CHAPTER 1

INTRODUCTION

State Law has required a Housing Element as part of the General Plan since 1969. In 1980, the Legislature substantially amended the Housing Element requirement to specify in detail what the Housing Element must contain and the procedures for its adoption and periodic revision. In summary, Government Code Sections 65302 (C) and 65580 et seq. require that the Housing Element include:

An analysis of Housing Needs and an Inventory of Resources and Constraints relevant to meeting these needs;

A Statement of the Community's Goals, Quantified Objectives and Policies relative to the Maintenance, Improvement, and Development of Housing; and

A Program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

The Housing Element must be reviewed and revised as necessary at least every five years¹.

This Housing Element amends and supercedes the Housing Element adopted by the City in 1989 and includes projections, objectives and programs relevant to the housing needs of Ferndale for the period 1992 to 1997.

¹ Pursuant to Section 65588(b)(4) of the California Government Code, jurisdictions in Humboldt County have until July 1, 1992 to adopt their second revision to the jurisdiction's housing element. Subsequent revisions must adhere to the 5-year revision interval period.

CHAPTER 2

HOUSING NEEDS ASSESSMENT

2.10 POPULATION CHARACTERISTICS

2.11 Growth Trends

2.11.1 Historic Population Growth

The City of Ferndale has shown a slow steady growth rate over the past 40 years. The population has lagged behind the County growth rate but has been affected less by fluctuations in the lumber industry within the County. The growth rate increased to more than 1.5% per year following the building boom of the 1950s. As the timber demand became unstable and the local lumber industry weakened in the 1970s the Ferndale growth rate decreased drastically. The large decline in growth rate during the 1970 to 1980 decade can also be attributed to the oil embargo of the early 1970s which brought with it economic decline, and to the severe drought that occurred later in the decade. It is expected that the City's growth rate will average 1.1% per year, and it is this rate that is used to project the future populations in Ferndale.

Between 1980 and 1988, the City's population has risen from 1,367 to 1,493, an 9.1% overall increase. During this same period Humboldt County's population increased by 5.8 percent. For Humboldt County and Ferndale this growth rate would equal average annual increases of 0.7% and 1.1%, respectively.

However, the 1990 Census reported a decline in population to 1331 (a -10.85% change) from the 1988 population figures provided by State Department of Finance and a -2.63 % from 1980 Census figures. Ferndale's percent of Humboldt County population also declined to 1.1%

TABLE 1
POPULATION GROWTH

1940 - 1990

			FERNDALE AS PERCENTAGE OF HUMBOLDT COUNTY		
<u>YEAR</u>	<u>HUMBOLDT COUNTY</u>	<u>PERCENTAGE CHANGE</u>	<u>FERNDALE</u>	<u>PERCENTAGE CHANGE</u>	
1940	45,812	-	900	-	1.96%
1950	69,241	51.10%	1,030	14.4%	1.48%
1960	104,892	51.40%	1,120	8.7%	1.06%
1970	99,692	-4.90%	1,352	20.7%	1.36%
1975	105,030	5.30%	1,360	0.6%	1.30%
1980	108,514	3.30%	1,367	0.5%	1.30%
1985	111,400	2.70%	1,460	6.8%	1.30%
1988	114,900	3.10%	1,493	2.3%	1.30%
1990	119,118	3.67%	1,331	-10.85%	1.11%

SOURCES: 1990 Census of Population & Housing, US Census Bureau.
California Department of Finance (February, 1988).

The largest single yearly increase in the last eight year period was between 1982 and 1983, which saw an increase of 5.1%. This increase coincided with the completion of the expansion of the Navy's Fairview housing complex. The largest single yearly decrease within the last 10 years was the -10.85% over the period 1980 to 1990. The City's population decline by 36 from 1980 to 1990 according to 1990 Census figures.

2.11.2 Population Projections

In 1986, the State Department of Finance published their population projections for counties in California through the year 2020. The State projections for Humboldt County are portrayed in Table 2. Assuming the City of Ferndale maintains its current 1.3 percent share of Humboldt County population, Ferndale is projected to grow to 1,520 in 1990, 1,546 in 1995 and 1,560 in the year 2000. These figures are overshadowed by 1990 Census figures that reported an actual decline in population.

TABLE 2

POPULATION PROJECTIONS

HUMBOLDT COUNTY & FERNDALE

<u>YEAR</u>	<u>HUMBOLDT COUNTY</u>	<u>FERNDALE*</u>
1990	119,118	1,331* *
1995	118,972	1,546
2000	119,982	1,560
2020	118,060	1,535

* Assumes Ferndale will maintain a 1.3 percent share of County population.

* * Corrected from 1990 Census

SOURCE: State Department of Finance, Baseline 86, 1980 - 2020 (Humboldt County)
1990 Census of Population & Housing

2.12 Age of Population

The City has an age distribution roughly equal to the State average in proportion of children (27.5%). Persons over 55, however, make up a larger proportion (24.9%) than the California average (19.48%). This large proportion of elderly persons has planning implications in the area of housing and social service needs in the City over the next decade. The 19-24 year old group (7.7%) is significantly smaller than the State average (11.91%), which reflects the tendency of recent high school graduates to leave Ferndale.

TABLE 3

NUMBERS & PROPORTION OF POPULATION BY AGE GROUP

1990

<u>AGE GROUP</u>	<u>CITY TOTAL</u>
0 - 5	89
5 - 16	116
16 - 18	41
18 - 20	37
21 - 24	38
25 - 44	411
45 - 54	171
55 - 59	48
60 - 64	68
65 - 75	121
75 - 85	55
<u>85+</u>	<u>34</u>
TOTAL	1331

SOURCE: US Census Bureau, 1990 Census

TABLE 4

SEX, RACE, AND HISPANIC ORIGIN

1990

SEX			RACE					
			AMERICAN INDIAN, ESKIMO					
<u>ALL PERSONS</u>	<u>MALE</u>	<u>FEMALE</u>	<u>WHITE</u>	<u>BLACK</u>	<u>OR ALUT</u>	<u>ASIAN</u>	<u>OTHER</u>	<u>HISPANIC</u>
1331	633	698	1293	18	3	12	5	32

SOURCE: US Census Bureau, 1990 Census

2.13 Ethnic Population

The most numerous ethnic group in the City of Ferndale is Hispanic who represent 2.34% of the population. However, this proportion is smaller than Statewide averages. With exception of Asian/Pacific Islander, the proportions of Blacks, and members of "other" racial groups are also below the average for rural non-metropolitan California. The only minority racial group with a proportionally greater share of the City population than the State population is American Indians, comprising 1.02% of the City population.

TABLE 5
ETHNIC CHARACTERISTICS

1990

	<u>TOTAL CITY</u>	<u>CITY %</u>	<u>STATE %</u>	<u>RURAL CALIFORNIA %</u>
White	1,265	95	57.21	
Hispanic	32	2.4	25.83	
Native American	2	.15	0.61	
Black	18	1.3	7.03	
Asian/Pacific	12	.90	9.10	
Other	2	.15		

Source: U.S. Census, 1990

2.14 Handicapped Persons

The number of handicapped persons in a city has important planning implications. A need for certain social services, specialized handicapped access facilities throughout the City, and housing with handicapped access may result from a better understanding of the handicapped. Handicapped persons comprise a smaller share of the City's working age population than California's. Seven point nine (7.9%) percent of all Ferndale residents between the working ages of 16 - 64 have a work disability as compared with 8.4 percent for California. Of these persons, 47% are unable to work as a result of their disability as compared with 51% Statewide. According to the State Department of Rehabilitation, the largest proportion of handicapped persons in the County have a skeletal or muscular disability. This fact points to a need for concern about wheelchair access to buildings and walkways.

The US Census also counts the number of persons who are not able to use public transportation due to their physical disability. The City has a lower proportion of persons with a public transportation disability than the State average. Zero point six percent (0.6%) of working age residents and 11.2% of those over age 64 have a transportation disability. The City is served by HCAR (1 person) and several local agencies who provide individualized and group transportation services for the disabled. Appendix G contains a listing of these service providers. Because of transportation difficulties, many handicapped persons seek housing which is located close to stores and services. Housing in the downtown area would meet this need.

TABLE 6
DISABLED PERSONS

	<u>FERNDALE</u>		<u>CALIFORNIA</u>
	<u>Number</u>	<u>%</u>	<u>%</u>
Non-Institutionalized			
Persons, Ages 16 - 64	736	-	-
With Work Disability	58	7.9%	8.4%
Prevented from Working	27	3.7%	4.3%

SOURCE: US Census Bureau, 1980 Census

TABLE 7
PUBLIC TRANSPORTATION DISABILITY

	<u>AGES 16 TO 64</u>		<u>65+</u>	
	#	%	#	%
FERNDALE	5	0.60	25	11.2
CALIFORNIA	-	1.72	-	14.4

SOURCE: US Census Bureau, 1980 Census

TABLE 8
TYPES OF DISABILITY - HUMBOLDT COUNTY

	<u>NUMBER</u>	<u>PERCENTAGE</u>
Skeletal/Muscular	3,760	42.9
Cardiovascular	1,380	15.7
Neurological	560	6.4
Respiratory	520	5.9
Mental Retardation	410	4.7
Alcohol/Drug Addiction	440	5.0
Emotional Problems	480	5.4
Digestive	230	2.6
Blind	100	1.1
Deaf	30	0.3
Other Sensory	190	2.2
Other Conditions	670	7.6
	<hr/> 8,770	

SOURCE: California Department of Rehabilitation, Estimated Persons Who Have Disabilities as of July 1, 1981 (Ages 16 through 64 only). Updated, April 29, 1982.

2.15 Persons In Group Quarters

Group Quarters are living situations where kitchen, perhaps bath, and food are shared such as in a boarding house. The 1980 US Census indicated no Ferndale residents living in group quarters. All persons living in the City were members of households.

2.20 HOUSEHOLD CHARACTERISTICS & SPECIAL NEEDS HOUSEHOLDS

A household is any group of people living together in a residence, related or unrelated. A survey of household characteristics is useful to determine household size trends, incomes, overcrowding or underutilization of housing, and the amount of special needs households such as large families and female-headed households. All of these characteristics can point to planning needs.

2.21 Size & Number of Households

The City had 566 households in 1990. Average household size has decreased from 2.90 in 1970 to 2.53 in 1980 and further to 2.35 in 1990.

TABLE 9

FERNDALE HOUSEHOLDS

	<u>1970</u>	<u>1980</u>	<u>1990</u>
Households	466	541	566
Population	1,352	1,367	1,331
Average Size of Households	2.90	2.53	2.35

2.22 Elderly Households

The 566 households in Ferndale include 158 households (27.9%) with one or more persons 65 years of age or older.

Elderly householders occupy their own dwelling in most cases. Of the 142 housing units occupied by an elderly head of household, 134 units, or 94.3 %, are owner occupied. There are 8 rental housing units occupied by an elderly head of household.

The economic plight of the elderly can be viewed in the following statistics. The elderly comprise only 15.7 % of Ferndale's population but make up only 18.1 % of all persons in poverty. Of elderly-headed households, 12.5% live below poverty but taken as a percentage of all households in poverty, the elderly represent nearly 38% of this group. Ninety-one percent of elderly poverty households are one and two person households.

There are a limited number of affordable rentals for the elderly. Senior householders on fixed incomes often are financially incapable of maintaining their homes and experience housing rehabilitation needs associated with deferred maintenance. Use of housing rehabilitation and senior home repair programs is encouraged.

2.23 Female Headed Households

The number of households headed by women has implications in needs for child care, recreation programs, and other social services. There were 47 female headed households in 1990. Forty-six (46%) percent of these households (13 households) were below the poverty level in 1980. This represents a disproportionate number of the households below the poverty level. Female headed households account for only 8 % of all households, but they account for 26.2 % of households below the poverty level.

The census category of Female Heads of Households with Children at the Poverty Level can least afford housing. They spend more than 25% of their income on housing. Enhanced participation by tenant/landlords in the Section 8 Rental Assistance Program administered by the County Housing Authority is recommended to address this problem.

TABLE 10

FEMALE HEADED HOUSEHOLDS

CATEGORY	ABOVE POVERTY LEVEL	BELOW POVERTY LEVEL	TOTAL	BELOW POVERTY AS % OF TOTAL
With Children under 18	15	13	28	46.4
Without Children under 18	8	3	11	27.3
TOTAL	23	16	39	

SOURCE: 1980 Census STF 3

2.24 Overcrowding

The US Census Bureau defines overcrowding as more than one person per room (excluding kitchen, bathroom or storage) in a housing unit. In 1980, there were 12 overcrowded units, of which six were renter occupied. Two point two (2.2%) percent of the City's 541 units were overcrowded. Renter occupied units comprised half of all overcrowded units.

2.25 Large Families

Unusually large households or families may experience difficulty in locating adequate housing. According to the 1980 Census, 58 families or 10.7% of all households in Ferndale were classified as large families (5 or more persons). Renter occupied housing units containing 3 or more bedrooms represent only 32.9% of all rental housing units, as compared with 63% for owner-occupied units. Overcrowding (more than 1.01 persons per room) may be more prevalent for large renter families than for other household groups.

2.26 Needs of the Homeless

No available census or other planning information indicates that homeless persons constitute a significant housing problem in Ferndale. This conclusion is based in part upon the City's past association with programs to assist homeless and transient persons and families in the Eel River Valley and Ferndale area. One reason that the homeless problem in Ferndale is minimal is the location of the community outside (5 miles west) of the Highway 101 corridor which links the metropolitan areas of Portland and Seattle with the San Francisco Bay area and Southern California.

At present there is no specific governmentally-funded assistance for homeless or transient persons in Ferndale. However, assistance to needy families and individuals has been provided by local churches and service organizations in the past and there is every indication that this assistance will continue to be provided where necessary.

The Redwood Community Action Agency (RCAA) in Eureka provides an Emergency Shelter Program for homeless persons in Humboldt County. The shelter provides emergency housing for women, children and single men for one to three nights. Information and referral services are also available. The shelter served 307 family units and 1,567 person-sheltered days (one person per night of housing) in 1988. Other agencies which provide shelter services are listed in Appendix F.

2.27 Farm Worker Housing

According to the Humboldt Farm Home Advisor, a need for farm worker housing does not exist in the Ferndale area. On the north coast, the main use of migrant workers is on bulb farms. However, the lower Eel River Valley is flood prone and bulb farming is too economically risky. A few migrant workers are employed as milkers in the dairy industry; these people are accommodated on the farms where they work.

2.30 **EMPLOYMENT, HOUSEHOLD INCOME & HOUSING AFFORDABILITY**

2.31 Economic Base & Employment Trends

2.31.1 Economic Structure

The economic base of Humboldt County continues to be heavily dependent on resource based industries, principally, timber and fishing. As a result, employment fluctuates seasonally and cyclically in response to economic conditions external to the region.

During the 1970s, there was a major shift in the structure of the County's economy. As manufacturing activity related primarily to timber and wood products declined, the commercial, service and governmental sectors of the economy expanded. The largest contributors to the growth of the service sector were health and social services. Tourism is also a major component of the service sector.

The changes in structure of Humboldt County's economy are most graphically illustrated in employment figures. Total wage and salary employment in Humboldt County grew from 33,325 in 1972 to 40,300 in 1980, before declining to 37,600 in 1983 at the height of the recession. With the recovery of the national economy, especially new housing construction, employment rose to near the 1980 level in 1985. In 1987 employment reached 49,600 and is expected to reach 51,000 in 1989.

Employment in agriculture, forestry and fisheries during the 1972 to 1985 period remained relatively stable. Employment in construction and mining rose from 920 in 1972 to 1,200 in 1980 before the recession of the early 1980s set in. Of all sectors, manufacturing employment showed the greatest drop: from 9,525 in 1972 to 5,900 in 1985. Job losses in industries related to lumber and wood products accounted for the majority of this decline.

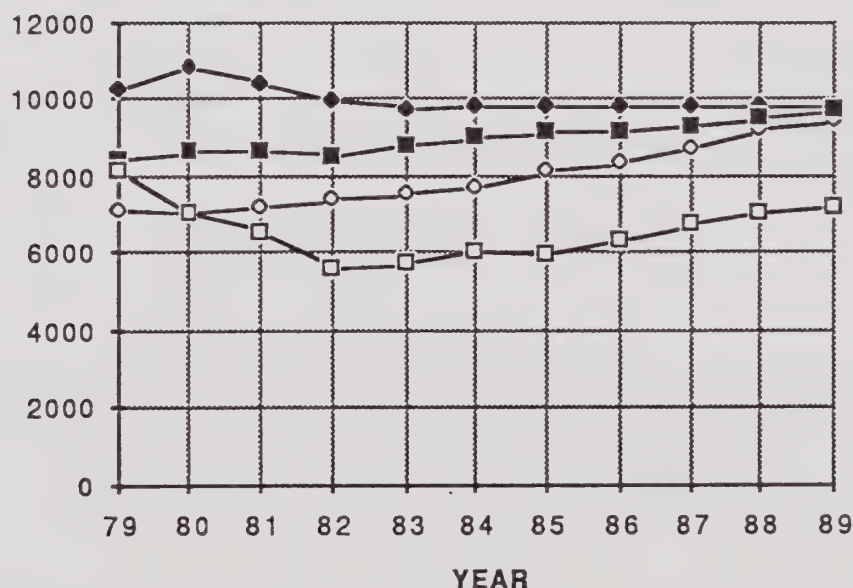
Employment in transportation and public utilities remained relatively stable over the 1972 - 1985 period. While employment in wholesale trade increased 25 percent, employment in retail trade rose by over 50 percent. Employment in finance, insurance and real estate increased by nearly 50 percent in the 1972-85 period.

During the 1970s, employment levels in the service sector rose more rapidly than in any other sector. In the 1980s employment in this sector (hotels and motels) continues to grow: 14.3% in 1986-87 and 12.5% in 1988-89 and is now at the 9,000 level. Government employment peaked in 1980 and showed modest decline in 1981, 1982 and 1983, is expected to be relatively stable for the next few years.

FIGURE 1

HUMBOLDT COUNTY WAGE & SALARY EMPLOYMENT*

ANNUAL AVERAGE--NUMBERS IN THOUSANDS**
3/85 BENCHMARK



◆ GOVERNMENT*** ○ RETAIL TRADE ■ SERVICES □ MANUFACTURING

* Jobs Reported by Place of Work; Does not include Self-Employed, Unpaid Family Members, Domestic, or Persons Involved in Trade Disputes.

** Parts may not add to totals due to Independent Calculation and Rounding of Annual Averages.

*** Includes all Civilian Employees of Federal, State and Local Government; Local Government includes both Local and State Education.

Ferndale was settled in the 1850s and was incorporated as a City in 1893. Ferndale was established and continues to function as a retail and service center for the dairying, timber and grazing concerns in the Eel River Valley and outlying communities, including Petrolia and the lower Mattole watershed. More recently, the community has emerged as a cultural and arts center, and has gained considerable recognition as a State Historical Landmark due to its remarkable examples of Victorian architecture. In addition, the community has emerged as a bedroom community for persons working in Eureka and Fortuna.

TABLE 11

WAGE & SALARY EMPLOYMENT COMPARISON
COUNTY - CITY

	EMPLOYMENT <u>COUNTY</u>	%	EMPLOYMENT <u>FERNDAL</u>	%
AGRICULTURE	800	2.0	48	9.5
CONSTRUCTION & MINING	1,200	2.9	30	6.0
MANUFACTURING	7,000	17.4	55	10.9
TRANSPORTATION & PUBLIC UTILITIES	2,300	5.7	32	6.4
WHOLESALE TRADE	1,500	3.7	15	3.0
RETAIL TRADE	7,000	17.4	120	23.9
FINANCE, INSURANCE & REAL ESTATE	1,400	3.5	15	3.0
SERVICES	8,600	21.4	168	33.4
GOVERNMENT	10,600	24.9	20	4.0
TOTAL - ALL INDUSTRIES	40,200		503	

SOURCE: Annual Planning Information, Humboldt County 1986 - 87, State Employment Development Department

US Census Bureau, 1980 Census

Ferndale has a higher percentage of population employed in agriculture, construction, retail trade and services than the County as a whole. Employment in the services industry is one-third of the workforce and coupled with employment in the retail trade (24%) accounts for over half the workforce. Two-thirds of the services employment are in education. Employment in government and manufacturing industries occur at a significantly lower percentage than the County.

TABLE 12

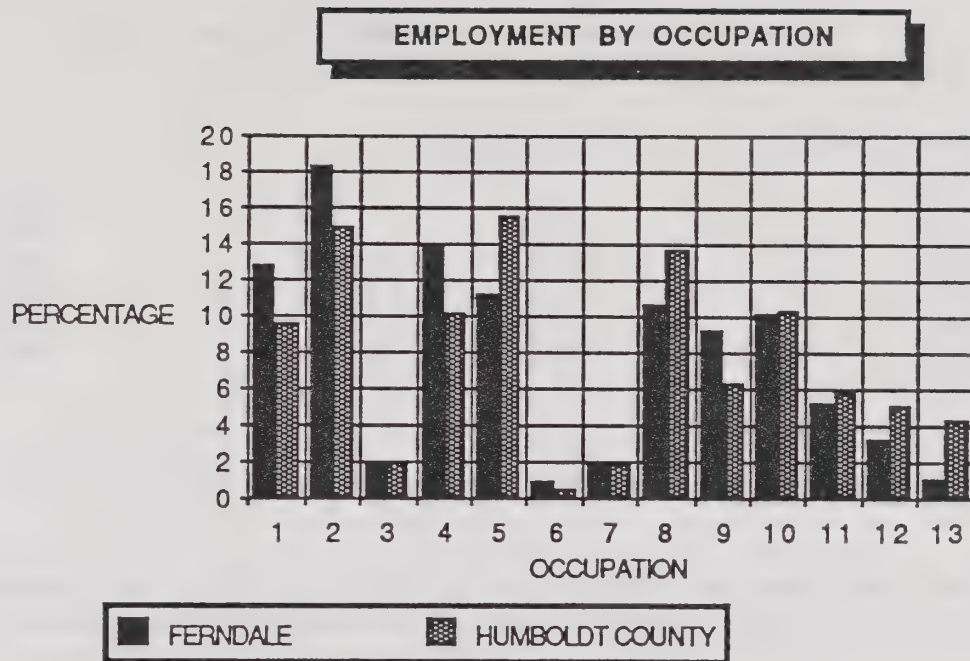
YEAR OF SCHOOL COMPLETED
(PERSONS +20 AND OVER)

		<u>ED 535</u>	<u>ED 536</u>	<u>TOTAL</u>	<u>PERCENTAGE</u>
ELEMENTARY		79	56	135	18
HIGH SCHOOL	1 - 3 years	12	30	42	6
HIGH SCHOOL	4 years	184	120	304	40
COLLEGE	1 - 3 years	49	96	145	19
COLLEGE	+4 years	57	77	134	18

SOURCE: US Census Bureau, 1980 Census.

The median educational level in Ferndale is 4 years of High School. Forty percent of those surveyed were at this level. Thirty-seven percent have attended or completed college studies, with 18% completing 4 or more years of college. The high educational level of Ferndale residents is reflected in Figure 32- Employment by Occupation - which shows 46% of the workforce employed in Executive, Professional, Technical, Administrative Support and Protective Services.

FIGURE 2



OCCUPATION

1. Executive, Administrative & Managerial
2. Professional Specialty
3. Technicians & Related Support
4. Sales
5. Administrative Support (Including Clerical)
6. Private Household
7. Protective Service
8. Service (Except Protective & Household)
9. Farming, Forestry & Fishing
10. Precision Production, Craft & Repair Services
11. Machine Operators, Assemblers & Inspectors
12. Transportation & Material Moving
13. Handlers, Equipment Cleaners, Helpers & Laborers

SOURCE: US Census Bureau, 1980 Census

2.31.2 Unemployment

Since the mid-1970s, high unemployment has become a permanent feature of Humboldt County's economy. Between 1975 and 1985, the County's annual unemployment rate remained above 10 percent. This rate dropped in the late 1980s to 9.1%, 7.5%, 6.9%, and 7.4% for the years 1986, 1987, 1988 and 1989 respectively.

TABLE 13

UNEMPLOYMENT IN HUMBOLDT COUNTY

	<u>UNEMPLOYED</u>	<u>UNEMPLOYMENT RATE</u>
1975	6,400	14.5%
1980	6,100	12.3%
1985	5,100	10.6%
1986	4,400	9.1%
1987	3,700	7.5%
1988	3,500	6.9%

SOURCE: California Economic Development Department - Annual Planning Survey 1988.

The unemployment picture is further exacerbated by the marked seasonal nature of the County's basic industries. In all of these basic industries (lumber, agriculture, fishing and tourism) unemployment rates for the winter months have been well above the yearly averages.

TABLE 14

HUMBOLDT COUNTY

SEASONAL UNEMPLOYMENT RATES

	<u>YEARLY HIGH</u>	<u>YEARLY LOW</u>
1987	11.1 (JANUARY)	6.0 (AUGUST)
1986	12.7 (FEBRUARY)	7.0 (SEPTEMBER)
1985	13.2 (JANUARY)	8.8 (MAY)
1984	15.1 (FEBRUARY)	9.5 (OCTOBER)
1983	18.2 (JANUARY)	11.0 (JULY)
1982	18.4 (APRIL & DECEMBER)	14.7 (JUNE)
1981	19.1 (DECEMBER)	10.5 (MAY)
1980	14.5 (APRIL)	10.3 (SEPTEMBER)
1979	15.9 (JANUARY)	9.1 (OCTOBER)
1978	16.4 (FEBRUARY)	10.9 (OCTOBER)
TEN YEAR AVERAGE	(15.5)	(9.8)

SOURCE: California Employment Development Department, Labor Force, Employment and Unemployment 1974 - 1981 and Wage and Salary Employment, By Industry 1972 - 1981.

California Employment Development, Annual Planning Information, Humboldt County 1988- 1989, May 1988.

Unemployment in Ferndale, due to its relatively diversified economy has traditionally been lower than the County, but still higher than State and National averages.

TABLE 15

UNEMPLOYMENT - 1980

	<u>TOTAL %</u>	<u>MALE</u>	<u>FEMALE</u>
FERNDALE	7.4	10.2	3.8
COUNTY	12.2	14.3	9.1
STATE	6.5	6.6	6.5

SOURCE: US Census Bureau, 1980 Census, Civilian Unemployment.

TABLE 16

UNEMPLOYMENT BY ENUMERATION DISTRICT

	<u>CITY</u>	<u>ED 535</u>	<u>ED 536</u>
TOTAL	7.4	5.5	9.7
MALE	10.2	7.6	13.5
FEMALE	3.8	3.0	4.8

SOURCE: US Census Bureau, 1980 Census, Civilian Unemployment.

2.31.3 Employment Outlook

For Humboldt County, the short range forecast (2 - 3 years) is for limited improvement in employment opportunities. Employment is expected to reach 47,800 working residents in 1989; however, the local economy is not expected to expand quite as fast as the number of people looking for work. Local unemployment will remain well above the State-wide average because of the seasonal nature of key local industries: logging, fishing and tourism industries.

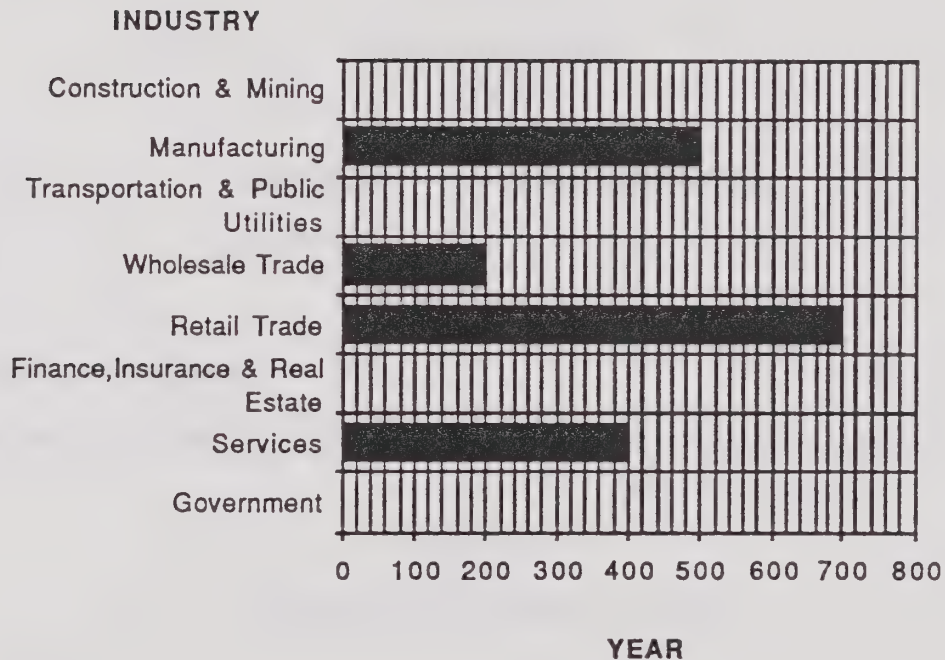
Most industries are expected to remain stable or experience moderate growth during the next few years. Retail trade, service and manufacturing industries will be the fastest growing industry divisions during the forecast period, especially printing. Payrolls in agriculture and the lumber industry are expected to remain unchanged. Employment for construction is expected to decrease.

FIGURE 3

HUMBOLDT COUNTY

JOB GROWTH FORECAST BY INDUSTRY

1988 - 1989 Annual Averages



SOURCE: Annual Planning Information, Humboldt County 1988 - 89, State Employment Development Department

It is important to realize that many of the new jobs in retail trade will be part-time. Nationally, over 30 percent of all jobs in wholesale and retail trade are part-time. This percentage is much higher for specific industries, such as restaurants. The high degree of part-time work and the generally low wage structure characteristic of retail trade are reflected in the amount of payroll wages paid locally. While retail trade accounts for about 20 percent of all jobs, it accounts for only 13 percent of wages paid. On the other hand, manufacturing accounts for 15 percent of all jobs, and 24 percent of wages paid.

The short term outlook for job growth in Ferndale closely matches that for Humboldt County. Growth areas of the local economy will be services and retail trades. The impact of the State Department of Fish & Game's wetland purchase program involving Eel River pasturelands on the local dairy industry is not yet known. The Naval installation at Centerville Beach reports no major planned staffing changes over the 5-year planning period.

2.32 Income

In 1980 the median household income was \$14,505 in Ferndale compared to the California household income of \$18,248. The median family income was \$17,958 and the median individual income was \$5,469. Slightly less than nine percent of all families were below the poverty level. Sixty-two percent of the families below the poverty level had children under the age of 17. Female headed households constituted 72 percent of this latter group.

TABLE 17

**MEDIAN INCOME
1979**

	<u>FERNDALE</u>	<u>HUMBOLDT COUNTY</u>	<u>CALIFORNIA</u>
HOUSEHOLD	\$14,505	\$14,774	\$18,248
FAMILY	17,958	18,479	21,541

SOURCE: US Census Bureau, 1980 Census

The 1979 distribution of households by income groups based on the 1980 Census is portrayed in Table 18.

TABLE 18

HOUSEHOLD INCOME - 1979

<u>HOUSEHOLD INCOME</u>	<u>ENUMERATION DISTRICTS</u>			
	<u>FERNDALE</u>	<u>535</u>	<u>536</u>	
0 - 4,999	97 (18.5%)	37 (14.9%)	60 (21.8%)	
5,000 - 7,499	50 (09.6%)	13 (05.2%)	37 (13.5%)	
7,500 - 9,999	45 (08.6%)	21 (08.5%)	24 (08.7%)	
10,000 - 12,499	34 (06.5%)	24 (09.7%)	10 (03.6%)	
12,500 - 14,999	48 (09.1%)	26 (10.5%)	22 (08.0%)	
15,000 - 17,499	48 (09.1%)	26 (10.5%)	22 (08.0%)	
17,500 - 19,999	35 (06.7%)	18 (07.3%)	13 (04.7%)	
20,000 - 22,499	29 (05.6%)	15 (06.0%)	11 (04.0%)	
22,500 - 24,999	22 (04.2%)	8 (03.2%)	7 (02.5%)	
25,000 - 29,999	38 (07.3%)	12 (04.8%)	26 (09.5%)	
30,000 PLUS	77 (14.7%)	248 (19.4%)	275 (10.5%)	
TOTAL HOUSEHOLDS	523			

SOURCE: US Census Bureau, 1980 Census

According to the 1980 Census, Enumeration District 536 which encompasses much of the City to the south of Shaw and Rose Avenues had the lowest median income of the two City Enumeration Districts. Enumeration District 535, which contains the remainder of the City located to the north of Shaw Avenue had the highest median household income at \$16,346. This large percentage of rental-occupied units in ED 536 may account for the disparity between the income levels for the two Enumeration Districts. The 1979 median household incomes for the City and its enumeration districts are depicted in Table 19.

TABLE 19

MEDIAN INCOME BY ENUMERATION DISTRICT

	<u>COUNTY</u>	<u>FERNDALE</u>	<u>ED 535</u>	<u>ED 536</u>
MEDIAN INCOME	14,774	14,505	16,346	12,125

SOURCE: US Census Bureau, 1980 Census

According to the 1980 Census, 28 percent of Ferndale's households earned less than 50 percent of the County median income (\$7,387), and 10.8 percent earned between 50 and 80 percent of the County median. These two groups together define "lower income".

TABLE 20

INCOME DISTRIBUTION - 1980

	<u>NUMBER OF HOUSEHOLDS</u>	<u>PERCENTAGE</u>
VERY LOW (Less than 50% of County Median Income)	147	27.8%
OTHER LOWER (51 - 80% of Median Income)	57	10.8%
MODERATE (81 - 120% of Median Income)	121	22.8%
ABOVE MODERATE (Above 120% of Median Income)	204	38.6%

SOURCE: US Census Bureau, 1980 Census

The plight of lower income households is evidenced by a comparison with County and State-wide percentages of individuals receiving public assistance. Note, however, that the figures for Ferndale are generally lower than those for Humboldt County as a whole. In March 1989, 50 individuals or 3.3 percent of Ferndale residents and 10,932 individuals, or 9.5 percent of Humboldt County residents, were receiving assistance under the Aid to Families with Dependent Children Program. By comparison, 9.4 percent of California residents were receiving AFDC assistance. Also in March 1989, 76 individuals, or over 5.1 percent of Ferndale residents, were receiving assistance through the Food Stamp program. Eighty were receiving MediCal benefits during the same period.

2.33 Housing Costs

As with income, housing costs in Ferndale are substantially lower than State figures. According to the 1980 Census, Ferndale's median house price was only 71.4% of the State-wide median price. The median rent payment, on the other hand, was 68.2% of the State-wide median.

TABLE 21
COMPARATIVE HOUSING VALUE AND RENT (1980)

	<u>CALIFORNIA</u>	<u>HUMBOLDT COUNTY</u>	<u>FERNDALE</u>
MEDIAN HOUSING VALUE	\$84,700	\$57,000	\$60,500
MEDIAN RENT	283	234	193
MONTHLY OWNER COST			
MORTGAGE	411	331	349 NO
MORTGAGE	98	92	95

SOURCE: US Census Bureau, 1980 Census, STF 1, 3, 4

In February and March 1989, the Redwood Community Action Staff conducted a survey of current housing costs based on classified ads in local newspapers, posted for sale properties, and contacts with local real estate rental agents. The results of the survey are presented in Table 22 and 24. It should be remembered that the information in Table 22 is based on the advertised "asking price", not the actual sale price. Actual sale prices may be 10 to 15 percent below the advertised prices, especially for higher priced homes.

TABLE 22
HOUSING COSTS (FOR SALE UNITS)¹
MARCH 1989
CITY OF FERNDALE

<u>SIZE OF UNIT</u>	<u>HIGH</u>	<u>LOW</u>	<u>MEDIAN</u>
1 Bedroom	59,900	-	-
2 Bedroom	89,900	39,500	63,700
3 Bedroom	175,000	55,000	74,200

¹ Figures reflect "asking price".

SOURCE: Redwood Community Action Agency, March 1989.

The Humboldt County Board of Realtors, February 1989, current residential listings showed higher sale prices for homes county-wide than RCAA's survey showed for Ferndale. The average listed sales price for a two bedroom single-family dwelling was \$69,416. Median sale prices for homes by size of unit in Humboldt County are presented in Table 23.

TABLE 23

**HOUSING COSTS (FOR SALE UNITS)¹
FEBRUARY 1989
HUMBOLDT COUNTY**

<u>SIZE OF UNIT</u>	<u>MEDIAN SALE PRICE</u>
1 Bedroom	\$71,761
2 Bedroom	69,416
3 Bedroom	99,247
4 Bedroom	136,490

¹ Based upon 74 home sales.

SOURCE: Humboldt County Board of Realtors, Current Residential Listings February 23, 1989.

TABLE 24

**RENTAL PRICES
MARCH 1989
CITY OF FERNDALE**

<u>SIZE OF UNIT</u>	<u>RENTAL PRICE RANGE¹</u>
1 Bedroom	\$275 - 325
2 Bedroom	\$325 - 500
3 Bedroom	\$500 - 750

¹ Most listings do not include utilities.

SOURCE: Redwood Community Action Agency, March 1989.

2.34 Overpayment for Housing

Housing affordability refers to the relationship between total household income and total household expenditures for housing, including mortgage (or rent), taxes, insurance and utilities. This relationship is typically expressed as the percentage of total household income allocated to housing expenditures. The actual percentage of housing expenditures will vary from household to household in relation to individual choices regarding the allocation of income.

Notwithstanding the fact that individual households may choose to spend more or less for their housing needs, it is necessary to have some guidelines as to what a household should expect to spend on housing in relation to other expenditures. This is particularly necessary for households in lower income categories where the expenditure for housing is likely to directly affect the amount of money available for other basic needs of food, clothing, and transportation. For wealthier households a larger than typical housing expenditure is likely to be taken from non-basic discretionary income rather than basic needs.

Twenty-five percent (25%) is the limit generally set by government agencies on the proportion of its monthly income a household should reasonably pay for housing. Using this limit would yield the monthly household expenditures for total housing costs in each income category shown in Table 25.

TABLE 25
MONTHLY HOUSEHOLD EXPENDITURES FOR HOUSING
FERNDAL, 1988

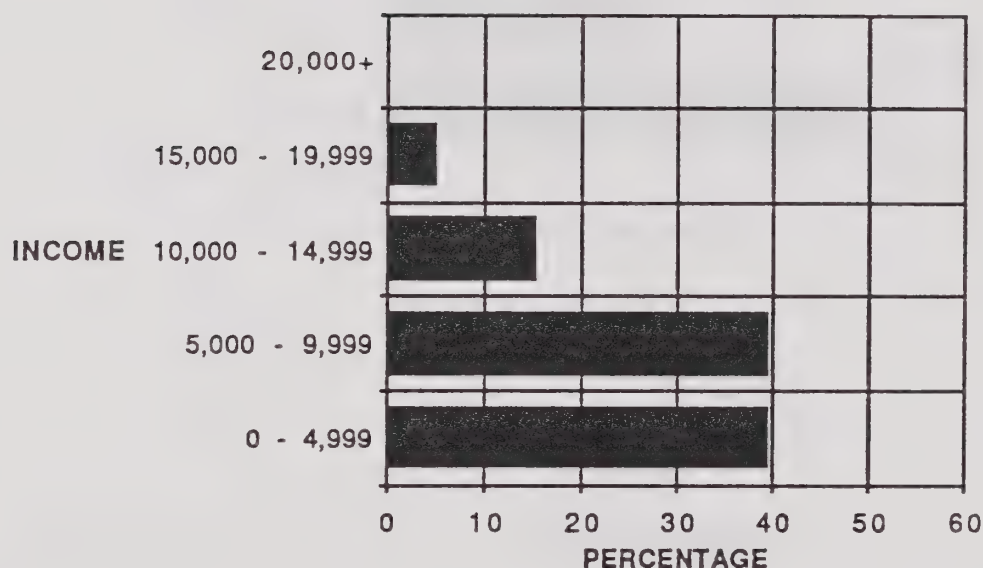
<u>INCOME CATEGORY</u>	<u>HOUSING EXPENDITURES (Upper Limit)</u>		
	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>
VERY LOW (Less than 50% median)	\$223	\$254	\$285
LOW (51% - 80% median)	224 - 356	255 - 406	286 - 457
MODERATE (80% - 120% median)	357 - 534	407 - 609	458 - 685
ABOVE MODERATE (120% and higher)	535+	610+	686+

SOURCE: State Department of Housing and Community Development, 1989.

In the current housing market, the 25 percent standard places home ownership of the traditional single-family home beyond the reach of the majority of Ferndale residents, as discussed later in this report. Even at 30 percent, the figure now being used by HUD and a few governmental agencies, owning a home is unlikely for many Ferndale households.

According to the 1980 Census, 49 percent of all renter households were paying more than 25 percent of their income for housing, while only 30.5 percent of all homeowner households were paying more than 25 percent. Overpayment for housing occurred in 32.5 percent of all households in Ferndale. As may be seen in Figure 4., the problem of overpayment for lower income households is more acute.

FIGURE 4
DISTRIBUTION OF OVERPAYMENT BY INCOME RANGE
RENTERS



According to the 1980 Census, the 1979 median household income in Humboldt County was \$14,774 (for the purpose of analyzing overpayment, the County's median income is used instead of Ferndale's). This placed the upper limit of low income (80% or less of median income) at \$11,819. According to the Census, 22 lower-income owner households in Ferndale were spending more than 25 percent of their income for housing, and 66 lower-income rental households were spending more than 25 percent of their income for housing.

HOMEOWNERS

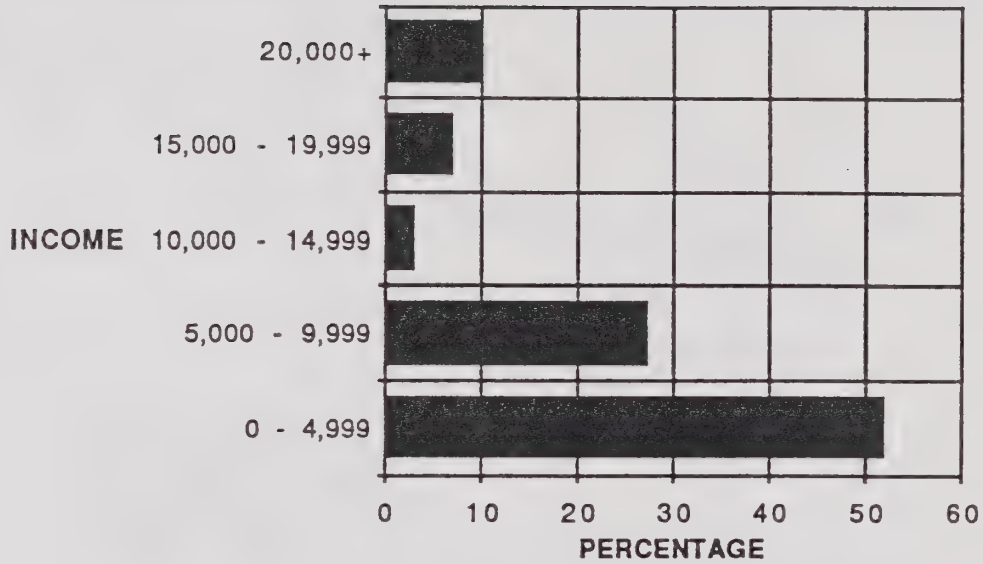


TABLE 26

OVERPAYMENT

	LOWER INCOME HOUSEHOLDS	LOWER INCOME HOUSEHOLDS WITH OVERPAYMENTS	
	<u>NUMBER</u>	<u>NUMBER</u>	<u>PERCENTAGE</u>
OWNER	101	22	21.8
RENTER	86	66	76.7
TOTAL	187	88	47.1

SOURCE: 1980 US Census.

2.40 HOUSING CHARACTERISTICS

2.41 Housing Stock

2.41.1 Housing Stock Growth and Composition

Between 1970 and 1980, the number of housing units in Ferndale increased from 506 to 562, or by 56 units. Between 1980 and the beginning of 1989, the housing stock increased by another 41 units to 603. Between March of 1989 and the end of 1991, 20 additional housing units were constructed. Ferndale's population decreased by an estimated 36 persons. between 1980 and 1990.

TABLE 27
HOUSING TYPES: 1980 - 1988
CITY OF FERNDALE

	<u>1980</u>		<u>1988</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
SINGLE FAMILY	470	83.6	487	80.8
MULTI-FAMILY (2 - 4 units)	67	11.9	91	15.1
MULTI-FAMILY (5 or more units)	23	4.1	23	3.8
MOBILE HOMES	2	0.4	2	0.3
TOTAL	1,083		1,155	

SOURCE: US Census Bureau, 1980 Census

City of Ferndale, Building Department - Annual Report to Department of Finance.

During the decade from 1970 to 1980, Ferndale's housing stock increased at an average rate of 5.6 units per year. Since 1980, the housing stock has increased at an average rate of 4.6 units per year, largely as a result of the addition to the Navy's Fairview housing complex completed in 1982. If the housing project is removed from the total units added since 1980, the average rate of increase approaches a two units per year average.

Between March of 1989 and December of 1991, an average of 7.2 new housing units were constructed each year. During the 1980 to 1990 period, the City did not issue any demolition permits.

TABLE 28

RESIDENTIAL UNITS ADDED
SINCE 1980 CENSUS

UNIT TYPE	APR 1980 -1982	1983 -1985	1986 -1988	1989-1991	TOTAL
SINGLE FAMILY	4	4	9	17	34
2 TO 4	0	0	24	3	27
0	0	0	0	0	0
0	1	1			
TOTAL					62

SOURCE: City of Ferndale, Building Department
City of Ferndale, Planning Department 1990

While Ferndale's housing stock continues to be dominated by single-family units, between 1980 and 1988 the proportion of single-family dwellings in the housing stock dropped by roughly 3 percent due to the completion of the Navy's Fairview housing development. However, between 1989 and 1991, single-family dwellings increased by 27%.

Table 29 depicts the 1990 composition of housing stock.

TABLE 29

HOUSING UNITS BY TYPE
1990

<u>TYPE</u>	<u>TOTAL</u>	<u>PERCENT</u>
SINGLE-FAMILY	504	80.7%
MULTIPLE FAMILY (2 - 4 units)	94	15.0%
MULTIPLE FAMILY (5 or more units)	23	3.6%
MOBILE HOMES	3	.48%
TOTAL	624	100%

SOURCE: City of Ferndale, Planning Department 1990

2.41.2 Renter/Owner Mix

According to the 1990 Census, 352, or 65 percent of Ferndale's housing units were owner-occupied. Enumeration District 536 which includes the downtown business district had the highest percentage of renter occupied units.

TABLE 30
HOUSING TENURE

	<u>FERNDALE</u>
OWNER	352 (65.2)
RENTAL	214 (34.8)

SOURCE: US Census Bureau, 1990 Census

Because of the unit mix characteristics, a large percentage of renter-occupied units (57%) are single family dwellings. This condition demonstrates several factors key to the Ferndale housing market among which are the limited number of new units constructed annually and the low vacancy rate (less than 1%) for rental units. Housing affordability may also be affected as detached rental units have considerably higher maintenance and energy costs than multiple unit structures.

2.41.3 Vacancy Rates

According to the 1990 Census, Ferndale in 1980 had 29 vacant units, for a 2.7 percent overall vacancy rate. 11 units were held for occasional use., Five (5) percent is generally considered a healthy vacancy rate. Table 31 illustrates the vacancy rate for owner and rental housing in 1979.

TABLE 31
VACANCY RATES BY TENURE

	<u>OCCUPIED</u>	<u>VACANT FOR SALE OR RENT</u>	<u>VACANCY RATE</u>
OWNER	353	2	0.5%
RENTER	188	9	4.5%

SOURCE: US Census Bureau, 1980 Census

2.42 Housing Conditions

The condition of Ferndale's housing stock is a function of its age, the weather and how well the units have been maintained.

2.42.1 Age of Housing

Ferndale's housing stock is relatively old. Over 69 percent of the housing units were built before 1950, compared to approximately 27 percent in the State. Table 32. shows the distribution of housing units within the two census enumeration districts. Enumeration Districts 535 has experienced the most growth since 1950 and has a lower proportion of pre-1950 homes. Housing age is also an indicator of its tenure, as 69% of all rental-occupied units in 1980 were constructed prior to 1939.

TABLE 32
CITY HOUSING AGE BY ENUMERATION DISTRICT
1980

<u>YEAR CONSTRUCTED</u>	<u>ENUMERATION DISTRICT</u>					
	<u>FERNDALE</u>		<u>535</u>		<u>536</u>	
1970 - 1980	56	(10.0%)	37	(12.6%)	19	(7.1%)
1960 - 1969	32	(5.7%)	22	(7.5%)	10	(3.7%)
1950 - 1959	83	(14.8%)	53	(18.1%)	30	(11.2%)
1940 - 1949	30	(5.3%)	17	(5.8%)	13	(4.8%)
1939 or earlier	<u>361</u>	(64.2%)	<u>164</u>	(56.0%)	<u>197</u>	(73.2%)
	562		293		269	

SOURCE: US Census Bureau, 1980 Census

2.42.2 Condition of Housing

In February 1989, Redwood Community Action Agency's Housing Office personnel, under contract with the City of Ferndale, surveyed all housing units in Enumeration Districts 536 and 535. The survey was conducted by RCAA's Loan Packaging Officer, a licensed building contractor, and/or RCAA's Housing Services Coordinator, all of whom have experienced conducting housing condition surveys.

Dwellings were classified as units of single family, duplex, three or more, or mixed-use. On each dwelling six factors of exterior housing condition were identified: foundation, roofing, siding access, windows and doors, and electrical. Each factor was then rated in terms of points assigned on the basis of need of repair. The points were totaled to arrive at the dwelling need category. Four categories were used:

One, **Sound** indicated no observable problems; Two, **Minor** need indicated no need currently existed or the repair did not threaten the health and safety of the resident or the structural integrity of the building; Three, **Moderate** represented situations where the deficiencies, if uncorrected, would threaten the health and safety of the occupants and the structural integrity of the building; and Four, **Substantial** need represented units where health and safety threatening problems currently exist and the structural integrity of the building was compromised.

Five hundred eighty-two (582) dwellings were surveyed in the City. Of this number, 296 dwellings were identified as needing some degree of rehabilitation. This represented 50.9% of the homes surveyed. The largest percentage of these units evidenced only Minor needs (53.0%). This category is important in that continued deferred maintenance in these units could result, over time, in the type of deterioration associated with units in the moderate and substantial need categories, while normal routine maintenance and repairs could result in a sound unit. The data was broken down as depicted in Table 33.

TABLE 33
HOUSING REHABILITATION NEED SURVEY
FEBRUARY 1989

	<u>SINGLE</u>	<u>DUPLEX</u>	<u>3+ UNITS</u>	<u>MIXED USE</u>	<u>PERCENTAGE</u>	<u>TOTAL UNITS*</u>
SOUND	194	86	-	6	49.1	286
MINOR	122	8	3	24	27.0	157
MODERATE	68	4	3	28	17.7	103
SUBSTANTIAL	26	2	-	8	6.2	36
TOTAL	410	100	6	66	100.0	582

* Multiple units under one roof counted as a single dwelling.

SURVEY: Housing Services, Redwood Community Action Agency.

Structures in need of housing rehabilitation are found in both enumeration districts. The breakdown for each rehabilitation category appears in Table 34.

TABLE 34
REHABILITATION NEED BY CATEGORY
FEBRUARY 1989

<u>REHABILITATION NEED</u>	<u>NUMBER</u>	<u>PERCENTAGE</u>
Minor Need	157	53.0
Moderate Need	103	34.8
Substantial Need	36	12.2
TOTAL	296	100.0

SOURCE: Housing Services, Redwood Community Action Agency.

Units requiring significant repairs (moderate and substantial needs) account for 23.9% of total housing units

2.50 ESTIMATE OF BASIC HOUSING CONSTRUCTION NEEDS

Under the housing element requirement, housing needs are defined in three categories: existing needs, projected needs over a five-year period, and special needs. Previous sections of this report identified existing needs. In summary, they include:

- * *Overcrowding (1980)*

6 overcrowded, owner-occupied units (1.1%)

6 overcrowded, renter-occupied units (1.1%)

- * *Substandard Units (1989)*

103 units requiring moderate rehabilitation (17.7%)

36 units requiring substantial rehabilitation (6.2%)

- * *Overpayment (1980)*

22 lower income, homeowner households (21.8%)

66 lower income, renter households (76.7%)

Projected housing needs are the total additional housing units required to adequately house a jurisdiction's projected population in five years in units that are affordable, in standard condition, and not overcrowded. Projected housing needs therefore include the needs of the existing population as well as the needs of the additional households expected to reside in the jurisdiction five years hence. Special housing needs focus on the needs of subgroups within the population with special housing requirements such as the elderly, the handicapped, large families, and households headed by single females. Section 2.20 discusses these needs in greater detail.

2.51 Share of Projected Regional Needs

To assist local governments in Humboldt County in making projections of future housing needs, the California Department of Housing and Community Development (HCD) prepared a regional housing needs plan covering the period through July 1997. The purpose of the plan is to examine housing needs across jurisdictional boundaries and allocate to each local government responsibility for planning to meet those needs.

The plan, which appears as Appendix A, actually contains two forms of projections. The first is a projection of the number and distribution of households among income groups (i.e., very low, other low, moderate and above moderate income) for the years 1991 through 1997. These projections will be used as guidelines to ensure that housing policies and programs focus on providing a mix of housing types to meet the needs of all economic segments of the community.

TABLE 35
HOUSEHOLD PROJECTIONS BY INCOME GROUP
January 1, 1991 to July 1, 1997
CITY OF FERNDALE

<u>INCOME GROUP</u>	<u>1/1/91</u> <u>No. (%)</u>	<u>7/1/97</u> <u>No. (%)</u>	<u>1/91 - 7/97</u> <u>No. (%)</u>
VERY LOW	158 (28.0)	161 (27.5)	3 (13.6)
OTHER LOWER	79 (14.0)	86 (14.7)	7 (31.8)
MODERATE	135 (23.0)	137 (23.3)	2 (9.1)
ABOVE MODERATE	192 (34.0)	202 (34.5)	10 (54.6)
TOTAL	564 (100.0)	586 (100.0)	22 (100.0)

SOURCE: Humboldt County Draft Regional Housing Needs Plan for Humboldt County,
California Department of Housing and Community Development, March 17, 1992

The structure of households according to income groups is expected to remain essentially the same between 1984 and 1992.

The second type of projections are estimates, based on the total household projections, of the total number of new housing units that should be constructed between 1984 and 1989, and for the subsequent years 1990, 1991 and 1992 to meet the needs of new households expected to reside in Ferndale. According to the Humboldt County's Regional Housing Needs Plan, 61 units need to be built in Ferndale between 1984 and 1989, or 70 units between 1984 and 1990. Between 1984 and 1992, 83 new housing units will be needed. These estimates include allowances for vacancies and normal market removals (torn down, destroyed by fire, converted to other use, etc.). Basic new construction needs for Ferndale are shown in Table 36.

TABLE 36
BASIC CONSTRUCTION NEEDS
FERNDALE
January 1, 1991 to July 1, 1997

	<u>Housing Units</u>
Household Increase	22
1991 Vacancy Need	11
1997 Vacancy Need	2
Replacement Need	53
Total	43

SOURCE: Humboldt County Draft Regional Housing Needs Plan for Humboldt County, California Department of Housing and Community Development, March 17, 1992

In reviewing these projections, an evaluation of the estimated construction needs as compared with historic growth trends is in order. The Basic Construction Needs figures shown in Table 36 for 1991 to 1997 would convert to an annual construction rate of 7.16 units per year or an increase of 43 units by 1997. Using a household population size of 2.35 persons per household, an increase in population of 101 persons over the 1990 population (1,331) would be anticipated. This increase is not likely given the historic decline in overall population and decrease in average size of households.

The average number of building permits for new construction of residential dwelling units between 1989 and 1991 is 6.66 (ranging from 4 to 10) in spite of an overall population decline. If the current average of 6.66, which responds to market demand, holds for the remainder of the planning period (1997), the City will likely see 40 additional housing units constructed closely approximating the projected housing needs of 7.16 units per year.

2.52 Projected New Construction Needs

Table 37 summarizes Ferndale's total projected needs by income groups for new construction to accommodate both expected growth and existing deficiencies.

TABLE 37
PROJECTED TOTAL NEW CONSTRUCTION NEEDS
BY INCOME GROUP
1991 - 1997
CITY OF FERNDALE

Number of Units

VERY LOW	6
OTHER LOWER	14
MODERATE	4
ABOVE MODERATE	<u>19</u>
TOTAL	43

SOURCE: Humboldt County Draft Regional Housing Needs Plan for Humboldt County.

California Department of Housing and Community Development, March 17, 1992

The projections in Table 37 assume that construction between 1991 and 1997 is distributed according to the proportion of the population within the income categories as provided in the HCD Housing Needs Plan. This projection is borne out by the distribution of low and very low income units constructed, where 40.5% were distributed amongst this group as compared to 39% under the Housing Needs Plan.

It should be emphasized that the new construction needs projections do not reflect the need for replacement of substandard units which are too costly to rehabilitate. As previously discussed, 6 percent of all units requiring substantial rehabilitation or approximately 2 units, were determined to be "beyond repair" using a repair cost to unit value ratio of 50 percent or greater. These units, although not needed to accommodate new household growth, represent new construction needs. These substandard units are largely older, rental units occupied by lower income households. Voluntary removal of these units has averaged less than 1 unit per year. It is estimated that an additional unit of new construction will be needed to replace dilapidated units which are voluntarily removed from service between 1991 and 1997. Table 46. reflects this estimated replacement need in the summary of quantified objectives.

CHAPTER 3

AVAILABILITY OF LAND & SERVICES TO RESIDENTIAL DEVELOPMENT

3.10 RESIDENTIAL ZONING

The City of Ferndale is roughly 688 acres, or slightly over a square mile in area. A parcel land inventory prepared by the Planning Department in 1989 found that 308 acres are presently zoned for exclusive residential use (RS, R1, and R2), this includes the Building Site (-B) and Design Control (-D) Combining Zones, 0.5 acres are zoned for office and multi-family residential uses (R4), 52.14 acres are zoned for commercial (C1, C2), 110.8 acres are zoned for public facility uses (PF), and 216.7 acres are zoned for agricultural uses (AE). No land is zoned for industrial uses (ML, MH). Table ~~40~~^{40a} shows the amount of land zoned in the various zoning categories. Table 41 shows the amount of land zoned in each of the five major residential districts (RS, R1, R2, R3, and R4) and summarizes the development standards for each zone.

Beside the five principal residential zones, the AE (Agricultural Exclusive) District allows the construction of farm dwellings. Residential uses, subject to R3 density standards, are also allowed by use permit in the C1 (Neighborhood Commercial), and C2 (Community Commercial) Districts. C1 and C2 Districts when combined with the Qualified or -Q Overlay District permit single family dwellings by right and allow development of multiple-family units with a use permit. Mobile home parks are permitted with a use permit in Commercial Districts.

TABLE 38

LAND INVENTORY BY ZONING CLASSIFICATION

CITY OF FERNDALE

March 1989

ZONE		ACRES	
		<u>TOTAL</u>	<u>PERCENTAGE</u>
PFD	Public Facility Design Control	1.9	0.3
PF	Public Facility	108.9	15.9
C1DQ	Neighborhood Commercial Design Control Qualified	23.1	3.4
C2DQ	Community Commercial Design Control Qualified	8.3	1.2
C2D	Community Commercial Design Control	20.7	3.0
R4D	Apartment Professional Design Control	0.5	0.1
R3	Residential Multiple Family	0.0	-
R2D	Residential Two Family Design Control	5.8	0.8
R2	Residential Two Family	25.7	3.7
R1D	Residential One Family Design Control	57.5	8.4
R1	Residential One Family	143.7	21.0
R1B3	Residential One Family (1/4 acre)	38.9	5.7
R1B3D	Residential One Family Design Control (1/2 acre)	2.1	0.3
R1B3	Residential Acre Family (1/2 acre)	15.0	2.2
RS	Residential Suburban (1 acre)	14.3	2.1
RSB5	Residential Suburban (3 acre)	4.5	0.7
AE	Agricultural Exclusive (4 acre)**	216.7	31.7
		688.0 acres	

* State Highway and local street rights-of-way acreage are included in this total.

** Limited to 1 dwelling per parcel.

*** No R3 Zoned land currently designated.

SOURCE: City of Ferndale, Planning Department Land Inventory (March 1989).

TABLE 39

FERNDAL PRINCIPAL RESIDENTIAL ZONES

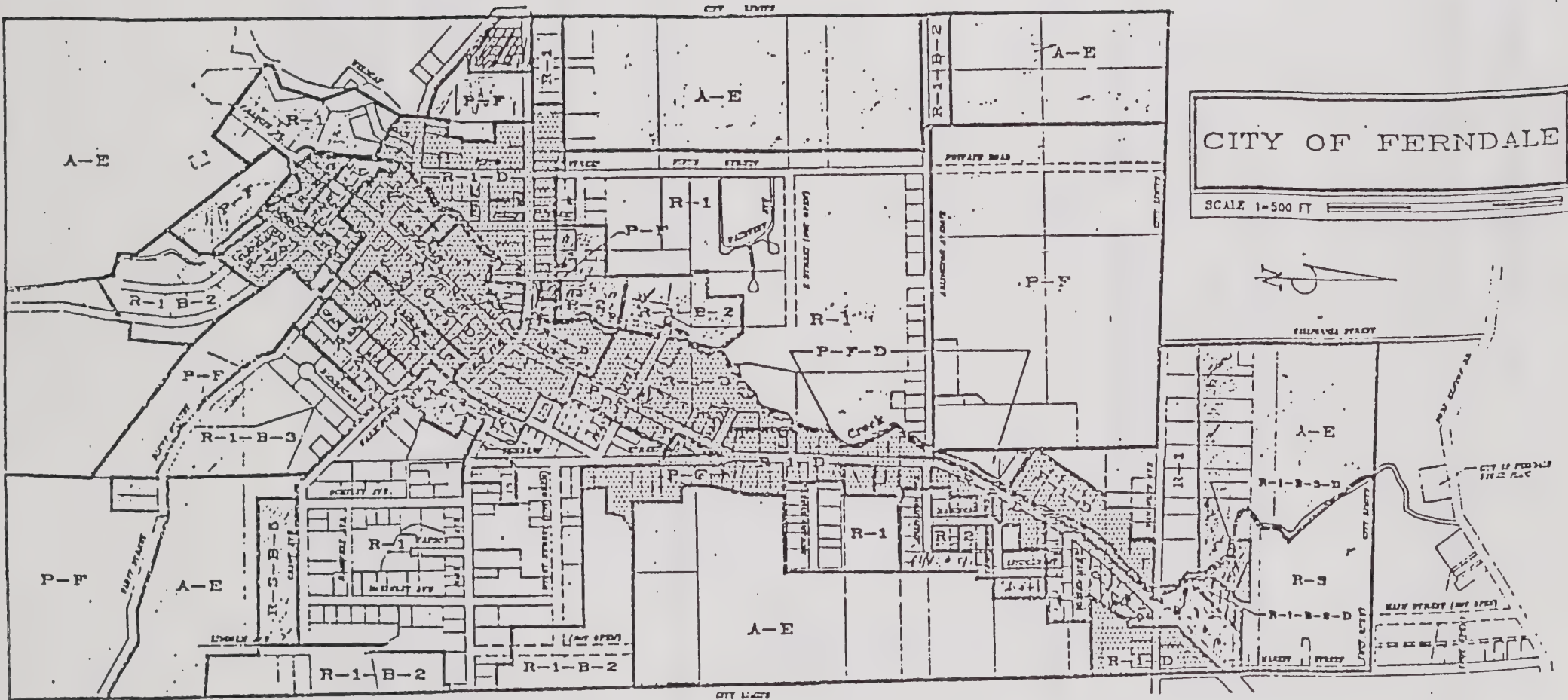
Zone	Description	<u>Allowable Housing Types</u>					<u>Development Standards</u>		
		<u>Total Acres</u>	<u>Single Family</u>	<u>Multi Family</u>	<u>Mobile Homes</u>	<u>MH Park</u>	<u>Second Dwelling</u>	<u>Minimum Lot Size</u>	<u>Minimum Site Per DU</u>
RSB5	Residential Suburban	4.5	P		P		C	1.5 acres	1.5 acres
RS	Residential Suburban	14.3	P		P		C	1 acre	1 acre
R1B2	Residential One-Family	38.9	P		P		C	1/4 acre	1/4 acre
R1B3	Residential One-Family	17.2	P		P		C	1/2 acre	1/2 acre
R1	Residential One-Family	201.2	P		P		C	6,000 sf	6,000 sf
R2	Residential Two-Family	31.5	P	P ¹	P		C	6,000 sf	3,000 sf
R3	Residential Multiple Family	0.0	P	P	P	C	P	6,000 sf	2,000 sf
R4	Apartment - Professional	0.5	P	P	P	C	P	6,000 sf	<2,000 sf

P Permitted by right.

C Permitted by conditional use permit.

1 Duplexes permitted as multiple family.

SOURCE: City of Ferndale, Planning Department (March 1989).



DESIGNATION OF ZONES

A-E AGRICULTURAL EXCLUSIVE
 C-1-B-Q NEIGHBORHOOD COMMERCIAL DESIGN CONTROL QUALIFIED
 C-2-B-Q COMMUNITY COMMERCIAL DESIGN CONTROL QUALIFIED
 C-2-B COMMUNITY COMMERCIAL DESIGN CONTROL
 R-3 RESIDENTIAL SUBURBAN (1 ACRE)
 R-3-B-B RESIDENTIAL SUBURBAN BUILDING SITE COMBINING (1.5 ACRES)

R-1 RESIDENTIAL SINGLE FAMILY (8,000 Sq.Ft.)
 R-1-D RESIDENTIAL SINGLE FAMILY DESIGN CONTROL (8,000 Sq.Ft.)
 R-1-B-2 RESIDENTIAL SINGLE FAMILY BUILDING SITE COMBINING (10,000 Sq.Ft.)
 R-1-B-2-D RESIDENTIAL SINGLE FAMILY BUILDING SITE COMBINING DESIGN CONTROL (10,000 Sq.Ft.)
 R-1-B-3 RESIDENTIAL SINGLE FAMILY BUILDING SITE COMBINING (20,000 Sq.Ft.)
 R-1-B-3-D RESIDENTIAL SINGLE FAMILY BUILDING SITE COMBINING DESIGN CONTROL (20,000 Sq.Ft.)

R-2 RESIDENTIAL TWO FAMILY
 R-2-D RESIDENTIAL TWO FAMILY DESIGN CONTROL
 R-4-D APARTMENT PROFESSIONAL DESIGN CONTROL
 P-F PUBLIC FACILITY
 P-F-D PUBLIC FACILITY DESIGN CONTROL

LAND USE ZONING MAP

CHANDLER ENGINEERING

3.20 Vacant & Under-Utilized Land

The parcel land inventory conducted by the Planning Department in 1992 found that vacant land comprised 29.2 percent of the acreage of the five principal residential districts. The results of the survey are shown in Table 40.

TABLE 40
VACANT LAND & DWELLING UNIT CAPACITY
CITY OF FERNDAL - 1991

<u>Zoning</u>	<u>VACANT LAND</u>	<u>POTENTIAL DWELLING UNITS</u> ¹	(in acres)	
	<u>Total</u>	<u>Density du/ac</u>	<u>Total City</u>	
RSB5	4.5	1 DU/1.5 AC	3	
RS	13.7	1 DU/AC	13	
R1B2	18.6	4 DU/AC	74	
R1B3	2.47	2 DU/AC	5	
R1	45.66	7 DU/AC	315	
R2	4.74	14 DU/AC	66	
R3	-	21 DU/AC	-	
R4	0.5	21+ DU/AC	-	

¹ Calculation of potential number of dwelling units based upon maximum number of units allowed by zoning multiplied by total vacant acreage in the zone.

SOURCE: City of Ferndale, Planning Department Land Inventory (March 1992).

According to Table 40, 476 dwelling units could be developed on Ferndale's vacant parcels. Actual development would likely occur at much lower unit density. Even so, this vacant acreage would physically accommodate the projected new construction needs of 43 units indicated in Table 37.

Beyond the vacant residentially zoned land, there is considerable residential land which is "under-utilized" (partially developed lots with sufficient land area to be further subdivided or developed, if multi-family). Within the 201 acres of R1 (Residential One-Family) District, 50 acres, fall within the under-developed lot definition. Of these 50 acres, 30 acres are undeveloped with few constraints to development.

This additional land would add an additional 210 units to the City's potential residential build out.

Vacant commercially-zoned land provides some additional opportunities for meeting residential construction needs of the Community. Mixed use development (residential/commercial) in commercial districts is a possibility under the City's zoning regulations, particularly in the downtown commercial area and the "Qualified" Commercial Overlay Districts. To maximize the effectiveness of the option, potential noise, traffic, land use and other conflicts between commercial and residential uses must be minimized.

3.30 SURPLUS LAND

Beside privately held vacant and under-utilized land, land owned, but no longer needed, by public agencies represents an opportunity for helping meet the projected new construction needs of the community. State law generally supports the use of government-owned, surplus land for residential use, particularly for housing for low and moderate income families. However, a parcel land inventory conducted by the Planning Department in February 1992 found no surplus land owned by the State or other governmental agencies in Ferndale.

3.40 SERVICES FOR RESIDENTIAL DEVELOPMENT

With the exception of minor deficiencies, Ferndale's present infrastructure can easily accommodate projected residential development through 1992.

Domestic water services for Ferndale are provided by Citizens Utilities Company of California - Francis Land and Water Company, a public utility regulated by the State Public Utilities Commission. Current City use is 0.150 mgd but summer peak use can reach 0.386 mgd. Water storage consists of a 1.1 million gallon water reservoir. The system is supplied by a series of springs located on water company property in the Francis Creek watershed to the south of the City, and by a well with filter system located to the east of the City on Van Ness Avenue. According to the water company the water system presently has the capacity to serve an additional 150 households.

Sewage treatment is provided by the City of Ferndale which owns and operates its own sewage system. The sewer system operates under a discharge permit issued by the State Regional Water Quality Control Board. The wastewater treatment plant has a present design capacity of 1.5 mgd. Enlarged in 1973, the plant has been designed to serve a capacity of 2,200 persons. Excessive stormwater inflow and infiltration (I/I) into the collection system continues to limit wet weather plant capacity. Increases of up to ten times the average peak dry weather flow are experienced during wet weather periods. A project to rehabilitate 42% of the collection system to reduce excess I/I was completed in the summer of 1990.

Service availability remains greatest for vacant land with frontage on developed City rights-of-way and infill lots in developed subdivisions. Over a third of the moderate to high density residential land (R-2 and R-4) and roughly one half of the lower density residential land (R-1 and RS), which is vacant or under-utilized would fall within this classification. Adequate sites exist in these areas served by City services and infrastructure to satisfy Ferndale's anticipated new construction needs during the 5-year planning period. Service availability will exist on a more limited basis in areas with existing development but inadequate streets and infrastructure. Areas which might fall within this classification include properties in the area east of Herbert Street and north of Rose Avenue. For the planning period, development in such areas will likely continue to be restricted to single homesite development on existing lots.

CHAPTER 4

GOVERNMENTAL CONSTRAINTS

While local governments have little influence on such market factors as interest rates, their policies and regulations do constrain the free operation of the housing market. For the most part, local regulations play a legitimate role in protecting the public's health, safety and welfare. In some cases, however, local regulations may restrict the operation of the housing market unnecessarily. Examination of the local regulatory structure can highlight those areas of "excessive" regulations where steps can be taken to remove or minimize obstacles to residential development.

4.10 LOCAL LAND USE REGULATION

Discretionary control over land use is exercised through the Ferndale General Plan adopted in 1986, the zoning ordinance and other implementing ordinances.

In general, the development standards contained in Ferndale's zoning and subdivision ordinances do not operate as constraints on development. The zoning ordinance has been amended to expand housing opportunities through provisions to permit the installation of manufactured houses on lots in single family residential areas, and to allow the construction of second dwelling units on certain lots in single family residential districts with a use permit. The zoning ordinance, however, remains non-compliant with the State requirements to permit mobile home parks in all residential districts (Section 65852.3, California Government Code). Under its subdivision ordinance, the City requires urban street improvements in connection with approval of subdivision maps. The cost of these improvements varies with the level of existing improvements, length of utility extensions, need for subsurface drainage structures, and the related factors. In some newly developing areas, the lack of established street grades and alignments results in subdivision improvements in most cases being deferred by recorded instrument to a future date, which often transfers the resultant improvement cost from the subdivider to the future homeowner. The subdivision ordinance further requires the undergrounding of overhead utilities for all new developments.

4.20 BUILDING & HOUSING COSTS

Building and housing codes establish minimum standards and specifications for structural soundness, safety and occupancy. The State Housing Law requires cities and counties to adopt minimum housing standards based on industry uniform codes. In addition to meeting the requirements of State Housing Law, local governments enforce other state requirements, including requirements for fire safety, noise insulation, soils reports, earthquake protection, energy conservation, and access for the physically handicapped.

The City is currently implementing the 1985 edition of the Uniform Codes, the 1987 National Electric Codes (NEC) and other State regulations as required by law. The City utilizes the most current versions of the Uniform Building Code and uniform mechanical, electrical and plumbing codes. In adopting the uniform codes the City has not made any modifications which would work a hardship on housing development.

4.30 LOCAL PERMIT PROCESSING FEES

State law requires that local permit processing fees charged by local governments must not exceed the estimated actual cost of processing the permits. Table 41 lists the fees currently (March 1989) charged by the City for processing various land use permits. A survey of fees charged by Arcata, Fortuna and Eureka revealed that Ferndale's fees are generally at or considerably below those charged by these other jurisdictions. No change to the City's fee schedule is under consideration at this time.

TABLE 41

PERMIT PROCESSING FEES
MARCH 1989
CITY OF FERNDALE

<u>PERMIT</u>	<u>FEE</u>
General Plan Amendment	\$ 400
Zoning Amendment	\$ 300
Conditional Use Permit - Design Review	
major home improvement	5% of job cost to maximum of \$125
minor home improvement	\$ 15
Conditional Use Permit	\$ 100
Variance	\$ 125
Appeals (Zoning)	\$ 25
Appeals (Subdivision)	\$ 65
Environmental Impact Report	\$ 275 + Outside Costs
Initial Study/Negative Declaration	\$ 50
Other Environmental Document	\$ 0 Notice of Exemption
Tentative Subdivision Map	\$ 190 Parcel Map Subdivision
	\$ 250 Final Map Subdivision (5+ lots)
Final Map	\$ 75
Parcel Map	\$ 50
Lot Line Adjustment	\$ 125
Parcel Merger	\$ 0
Street/Alley Abandonment	\$ 0
Home Occupation Permit	\$ 15

SOURCE: Ferndale City Clerk.

4.40 LOCAL PERMIT PROCESSING

Given the depressed regional economy, permit activity has been relatively low since 1980. As previously indicated, new construction activity averaged close to 5 units per year. Applications received by the Building and Planning Offices are processed as expeditiously as possible, in most cases within the shortest time possible, given public notice requirements and the meeting schedules of the Planning Commission and City Council. Building plan checks are conducted through a contract with the City Engineer. Building inspections are conducted by the County of Humboldt under a separate agreement with the City. Table 42 shows processing times for various land use permits in the City of Ferndale.

TABLE 42
PERMIT PROCESSING TIME
1988
CITY OF FERNDAL

	<u>TIME NEEDED</u>
Building Permits	5-10 days
Subdivisions & Use Permits	6 - 8 weeks
CEQA exempt or Negative Declaration without Responsible Agency	1 - 2 weeks
Mitigated Negative Declaration or with Responsible Agency	2 - 3 weeks
General Plan Amendments & Rezoning	12 - 18 weeks

4.50 RESIDENTIAL DEVELOPMENT FEES

As previously mentioned, the City of Ferndale requires street and drainage improvements in connection with subdivision developments. In addition, the City charges a connection fee of \$850 per unit for new sewer service. The developer is responsible for the cost of extending the building sewer lateral to the City sewer main.

The Francis Land and Water Company does not charge for a typical extension of water service to a building lot in the City. This does not apply to new subdivisions where water extensions are involved.

At this time, neither the City or the local school district have adopted any development impact fees.

CHAPTER 5

NON-GOVERNMENTAL CONSTRAINTS

Non-governmental constraints are those factors limiting the availability of affordable housing over which local government has little or no control. State law requires that the housing element contain a general assessment of these constraints as a basis for possible actions by the local government to offset the effects of these constraints. The two principal types of non-governmental constraints are new housing cost components and the availability and cost of permanent financing.

5.10 Housing Cost Components

Table 43 profiles development costs for a typical, new three bedroom home in Ferndale. Cost figures for a smaller 1200 sf unit and a 1500 sf unit are provided. The discussion of development costs, and later, financing costs, is limited to the typical single-family home, because despite changes in demographics and consumer preferences in recent years, single-family home ownership is still a major objective of most families in California. Consequently the cost of a new single-family home serves as the benchmark in decisions by consumers about what they are willing to pay for different kinds of housing.

TABLE 43

HOUSING COST COMPONENTS¹

TYPICAL THREE BEDROOM HOME (1200 & 1500 sf Units)

1988

CITY OF FERNDAL

	<u>1200 sf</u>	<u>1500 sf</u>
Land	\$30,000	\$30,000
Sewer/Water Installation and Connection Fees	860	860
Plan Review & Building Permit Fees	952	982
Construction Costs (including financing)	<u>57,600</u>	<u>72,000</u>
Total	\$89,412	\$103,842

¹ Does not include developer profit.

SOURCE: Redwood Community Action Agency, 1989.

Due to the limited land area of Ferndale and its attractiveness as a place to live for persons working in Eureka and outlying communities, land costs for building lots are above those in nearby communities. A market survey conducted for the City by the Redwood Community Action Agency in February 1989 found an average land cost of \$30,000 for a 6,000 - 10,000 sq. foot building lot with the price dependent upon the availability of utilities, improvements (curb, gutter, street paving) and location.

The cost of sewer hookups reflects the need for the City to establish reserve funds for necessary upgrades to the treatment plant capacity. Much of the system evidences serious deterioration and is in need of immediate replacement due to its age, condition or lack of capacity. Sewer hookups fees are not excessive and are comparable with other systems in Humboldt County.

Building permit fees are based on the Uniform Building Code schedule and actual construction costs in Ferndale are very close to the State average.

5.20 Permanent Financing Costs

Interest rates for permanent financing have been the most erratic and problematic component of total housing costs for homeowners and would-be homeowners in recent years. Interest rates have fluctuated over the last ten years within a range from 8 to over 18 %. The current interest rate runs about 10 to 11 % with loan origination fees of around 2% plus document preparation costs of \$200 to \$400.

Because so many families have been unable to qualify for home loans at the higher interest rates, sellers, buyers and financial institutions have spawned a wide variety of new financing techniques, including mortgages with balloon payments, graduated payments, appreciating equity and adjustable interest rates. Presently, the rates for adjustable interest mortgages are running 9 to 10 % with a 3 to 6 % cap on rate adjustments and a loan fee of 1 to 3 % plus \$300.

Local lenders indicate that financing is generally available for new construction and rehabilitation loans. Interest rates and fees in Ferndale are the same as County-wide rates.

Table 44 shows what monthly payments would be at different rates. Taxes, insurance and utilities would amount to an additional \$200 per month.

TABLE 44

MONTHLY MORTGAGE PAYMENTS*

<u>INTEREST RATE</u>	<u>LOAN AMOUNT</u>						
	<u>\$50,000</u>	<u>\$60,000</u>	<u>\$70,000</u>	<u>\$80,000</u>	<u>\$90,000</u>	<u>\$100,000</u>	<u>\$110,000</u>
16%	\$656.28	\$787.53	\$918.77	\$1,050.04	\$1,181.30	\$1,312.55	\$1,443.80
14%	589.27	713.83	824.98	842.83	1,060.68	1,178.54	1,296.39
12%	514.31	617.17	720.03	822.89	925.75	1,028.61	1,131.47
10%	438.38	526.36	612.23	699.69	787.16	874.62	962.08
8%	364.10	436.92	509.74	582.56	655.38	728.20	801.01

* Based on 30-year fixed-rate mortgage, including principal and interest.

SOURCE: State-wide City Mortgage.

Using these figures, a typical single-family home in Ferndale purchased for \$64,000 with a 20 percent down, 11 percent fixed rate, 30 year mortgage would cost approximately \$821 per month to own and operate. Using the 25 percent of income-housing cost criterion mentioned earlier in this report, the household in this situation should have an annual income of \$33,800. At 30%, the household should have an annual income of approximately \$32,830. According to the State Department of Housing and Community Development the median household income for a family of four in Humboldt County in 1988 is \$30,500. Given that the median household income for Ferndale in 1980 was 98 percent of that for Humboldt County, the median household income for a similar family size in Ferndale, using the 1980 income relationship, would be \$29,890. Using the median income for a family of four in Ferndale, it would take 33 percent of the household's income to own and operate the median priced home.

The ownership of a home is out of the reach of many low and moderate Ferndale households, however, rents in Ferndale remain relatively affordable.

CHAPTER 6

RESIDENTIAL ENERGY CONSERVATION

With the passage of the State's Energy Conservation Standards for new residential construction, Ferndale's energy conservation efforts have been focused on existing residential dwellings. The majority of which due to their age, have no ceiling, wall or floor insulation, contain single-pane windows, and older, more inefficient appliances. There are no natural gas pipelines in the City, residents rely on electricity or propane. The City's efforts to resolve these problems have taken the form of requiring double-pane windows, wall and attic insulation and the elimination of air intrusion problems when permits are issued for work requiring the replacement of those items. The City's efforts in this respect have been enhanced by access to free and low cost weatherization services.

While the City's focus in terms of Energy Conservation is on existing dwelling units and enforcement of the State's Energy Conservation Standards for new construction, the City is also pursuing other methods as well. The City's subdivision ordinance requires that future housing developments consider siting for passive solar gain when planning their subdivisions. (See Appendix E for an example of subdivision solar design objectives.)

CHAPTER 7

GOALS, POLICIES, PROGRAMS & OBJECTIVES

In accordance with the Housing Element requirement, this section outlines the goals and policies of the City of Ferndale concerning the maintenance, improvement, and development of housing. This section also outlines the actions and programs the City has already undertaken, are currently undertaking or propose to undertake during the next five year period, 1988 - 1992. The section concludes with a statement of quantified objectives based on the goals, policies, actions and programs adopted by the City.

7.10 BACKGROUND

Like most other communities in California, Ferndale has a housing problem. But it is not the same housing problem the urban and metropolitan areas of California are experiencing.

Ferndale's economic health is largely dependent upon the strength of the regional economy. The trend towards declining employment and the cyclic aspects of the County's three major industries have been well documented. High seasonal unemployment and market factors beyond local control remain a constant cause for uncertainty in the housing market. The lack of progress in efforts to diversify the local economy has done little to offset this condition.

Because of the economy and these other factors, the City's population since 1980 has increased at a very modest rate. At the same time, modest additions to the City's housing stock have been made, the most significant being the completion of the Navy's Fairview housing. As a consequence, vacancy rates for housing has remained near the 4 percent level experienced in 1980 and new construction has averaged 3-4 units per year.

The current rate of population growth is expected to continue through the end of the planning period. If past indications are accurate, usual new construction levels should satisfy the demands of anticipated new households. This means that the focus of the City's efforts will not necessarily be on how to house newcomers, but on how to address existing housing deficiencies, including the rehabilitation of deteriorated housing and the replacement of dilapidated housing.

As discussed elsewhere in this housing element, much has already been done to achieve the overall goal of affordable housing:

- ~ The City, through its General Plan and Zoning, has provided ample land to meet the projected new construction needs through July 1992.
- ~ The City, through its zoning ordinance, has provided for a range of housing types, including rural and urban density single-family dwellings, multi-family dwellings, and mobile homes to meet the needs of all economic segments of the community. With few exceptions, the City has complied with State requirements concerning fair housing, mobile homes in single-family zones, mobile home parks, secondary dwelling units, density bonuses, and other special housing issues. Remaining deficiencies are to be addressed by this revision.

- ~ The City has not allowed local land use regulations to become obstacles to the provision of housing. Development standards adequately protect the public's health, safety, and welfare, yet in no respect can they be termed excessive. Local building codes comply with current state standards and are judiciously enforced. Local permit processing fees are low and only cover actual processing costs. Development exactions and fees are minimal and development permits are processed rapidly, generally in the minimum amount of time possible, given notice requirements and hearing schedules.
- ~ The City has aggressively pursued those federal and state housing programs for which the jurisdiction is eligible. The City applied and received Small Cities Block Grant funding in 1988 for the purpose of making low interest loans and grants to property owners for the repair and replacement of deteriorated sewer laterals. The replacement of faulty laterals has been mandated by the State Water Resources Control Board as a condition of the City receiving a Clean Water Grant. Federal funds were used to rehabilitate 42% of the sewer collection system to eliminate raw sewage overflows caused by excessive I/I entering the collection system. The CDBG funds minimized the financial impact of the corrective lateral repair work on lower income residents and ensure continued housing affordability.
- ~ In addition, local developers have been encouraged to take advantage of federal and state housing programs, including the Farmers Home Administration's 502 and 515
- ~ The City contracts with the County Housing Authority to operate the HUD Section 8 existing housing assistance program in Ferndale. The Housing Authority presently administers one (1) Section 8 Existing housing subsidy in the City.

Goal A: TO ASSURE THE PROVISION OF A VARIETY OF HOUSING TYPES TO MEET THE NEEDS OF ALL ECONOMIC SEGMENTS OF THE COMMUNITY AND GROUPS WITH SPECIAL HOUSING REQUIREMENTS.

Policies:

1. Encourage the development of presently available vacant and under-utilized parcels served by sewer and water to full development potential under the zoning ordinance.
2. Monitor market demand for residential land and consider, where appropriate, changes in the City's General Plan Land Use Element and Zoning to ensure a balance in residential uses and densities.
3. Allow development of single mobile homes and mobile home parks in residential zones in accordance with the requirements of Government Code Sections 65852.3 and 65852.7, and where consistent with local regulations.
4. The City will continue to allow development of secondary residential units on existing residentially developed lots in accordance with the requirement of Government Code Section 65852.2, and where consistent with local regulation.
5. Allow density bonuses for developments containing at least 25% of the units for low or moderate income households or at least 10% of the units for lower-income households as provided in Government Code Section 65915, and where consistent with local regulations.
6. Encourage self-help housing development.
7. Use state and federal funding assistance to the extent these subsidies exist and are needed to develop affordable housing in Ferndale.
8. Pursue those housing finance programs that do not require Article 34 Referendum.
9. Encourage the development of the local capacity to package federal and state loans and grants.
10. Encourage the formation of a local non-profit housing sponsor to make maximum use of Federal and State Programs for new housing construction and rehabilitation. The non-profit housing sponsor will assist the City with preparation of a strategy for development of affordable housing in Ferndale.
11. Assist developers in taking full advantage of state and federally funded programs, when feasible.
12. Encourage compatible mixed-use of commercial/residential development in the downtown area.
13. Minimize housing construction in environmentally hazardous areas.
14. Promote handicapped access in new housing development.

Goal B: TO ENCOURAGE THE MAINTENANCE AND CONTINUED IMPROVEMENT OF THE EXISTING HOUSING STOCK.

Policies:

1. Encourage private rehabilitation of housing.
2. Make maximum use of Federal and State funding programs in the rehabilitation of housing for lower income households.
3. Encourage compliance with State and local building codes in conjunction with the availability of federal and state programs for rehabilitation.
4. Require rehabilitation or abatement of unsafe structures, after giving property owners ample notice and opportunity to correct deficiencies.
5. Allow for the use of the State Historical Building Code for rehabilitation of eligible units.

Goal C: TO PROMOTE EQUAL OPPORTUNITY TO SECURE SAFE, SANITARY AND AFFORDABLE HOUSING FOR EVERYONE IN THE COMMUNITY REGARDLESS OF RACE, SEX AND OTHER ARBITRARY FACTORS.

Policies:

1. Support equal access to housing.
2. Promote the enforcement activities of the State Fair Employment and Housing Commission.
3. Give special consideration in housing programs to the needs of special groups, including the handicapped, large families, the elderly and families with low incomes.

Goal D: TO ASSURE THE PROVISION OF ADEQUATE INFRASTRUCTURE AND SERVICES TO EXISTING AND PLANNED HOUSING THROUGHOUT THE COMMUNITY.

Policies:

1. Seek Federal and State funding for improvements to and expansion of sewer and drainage facilities throughout the City.
2. Prepare a city-wide drainage master plan and drainage impact fee ordinance.

Goal E: TO ENCOURAGE ENERGY EFFICIENCY IN ALL NEW AND EXISTING HOUSING.

Policies:

1. Promote the use of energy conservation features in the design of all new residential structures.

2. Promote the use of weatherization programs for existing residential units, including the programs operated by Pacific Gas and Electric Company and the Redwood Community Action Agency.

Goal F: TO ENSURE THAT THE CITY HAS ACCURATE AND CURRENT INFORMATION ON THE HOUSING STOCK AND HOUSING NEEDS.

Policies:

1. Develop and update on an annual basis an accurate and current inventory of the City's housing stock, building permit activity and vacant land.

7.30 Implementation Actions & Programs

The City of Ferndale has and will continue to make a diligent effort to ensure the availability of affordable housing for all economic segments of the community. The following section outlines what the City intends to do to achieve the adopted goals and policies in the previous section.

1. The City will develop and adopt procedures for the implementation of the State requirement for granting of density bonuses or other incentives of equal value for projects that include specified percentages of units affordable to low and moderate-income households.
2. The City will continue to allow creation of secondary residential units in residential suburban and other single family residential zoned areas, consistent with local regulations.
3. The City will revise its zoning ordinance to authorize mobile home parks in single family residential zones subject to a use permit as required by Government Code Section 65852.72.
4. The City will seek funding from federal and state sources to initiate a housing rehabilitation loan and grant program for eligible units.
5. The City will post and make available information on the Enforcement program of the State Fair Employment and Housing Commission.
6. The City will post and make available information on currently available weatherization and self-help housing programs.
7. The City will maintain and update, on a regular basis, information on vacant land, building permit activity and housing conditions.
8. The City will continue to pursue federal and state funding for improvements to drainage and sewer facilities to alleviate existing deficiencies and minimize potential health and safety problems.
9. The City will examine the zoning regulations for multi-family zones to determine if the reclassification of lower density areas are needed.
10. The City will revise its zoning ordinance to incorporate changes to Section 65852.3 of the Government Code relating to manufactured housing on single family lots.
11. The City will work with local community members to establish a non-profit housing assistance corporation to sponsor housing programs in Ferndale.
12. The City will make modifications to its building regulations: (1) to insure that handicapped access is provided in all new housing development; (2) and to adopt the State Historical Building Code for use in the rehabilitation of eligible structures.
13. The City will encourage renters/tenants to make maximum use of Federal rent subsidies as administered by the Humboldt County Housing Authority.

TABLE 45

HOUSING PROGRAMS MATRIX

			FUNDING SOURCE				SCHEDULE			
NO.	POLICY NO.	PROGRAM	AGENCY		CITY	OTHER	90/91	91/92	92/93	93/94
			FEDERAL/STATE							
1	A-5	Density Bonus			X					x
2	A-4	Secondary Residential Units			X		E		x	x
3	A-3	Mobile Home Parks in Single-Family Residential Zone			X			x		
4	B-2 B-3 B-4	Funding for Housing Rehabilitation		X		X				x
5	C-1 C-2	Fair Housing Information			X				x	
6	E-2	Weatherization and Self-Help Housing Program Information			X	X			x	
7	A-2 F-1 A-12	Vacant Land Inventory and Building Activity Report Update		X	X		E		x	
8	D-1 D-2	Funding for Drainage and Sewer Facilities		X	X	x				
9	A-1 A-2	Evaluate Zoning Regulation Re: Reclassification of Lower Density Lands.			X					x
10	A-8 A-6 A-7 A-8	Funding for Affordable Housing			X	X				x
11	A-9 A-10 A-11	Non-Profit Housing Sponsor			X	X				x
12	B-5 A-14	Building Regulations			X					x

NOTE: 'E' denotes an on-going City program.

7.40 QUANTIFIED OBJECTIVES

The Housing Element must include quantified objectives which specify the maximum number of housing units that can be constructed, rehabilitated and conserved over a five year time-frame, based on the needs, resources, and constraints identified in the Housing Element.

While ideally the housing objectives will equal the housing needs identified in the Housing Element, the identified needs in many cases exceed available resources. Realistically, most factors are beyond the control of local government.

Table 46 outlines housing needs and the City's quantified objectives for the period 1988 to 1992.

TABLE 46
SUMMARY OF NEEDS AND QUANTIFIED OBJECTIVES
(THROUGH JULY 1, 1997)

	<u>OBJECTIVES</u>				
	<u>NEED</u>	<u>LOWER INCOME</u>	<u>MODERATE INCOME</u>	<u>ABOVE MODERATE INCOME</u>	<u>TOTAL</u>
TOTAL NEW CONSTRUCTION	47	19	12	16	47
GROWTH*	46	18	12	16	46
REPLACEMENT**	1	1	0	0	1
REHABILITATION	139	6	3	3	12
CONSERVATION	358	19	12	9	40
LOWER INCOME RENTERS	66	5	-	-	5
WEATHERIZATION	358	14	12	9	35

*Basic Construction needs (Table 39).

**Assumes replacement of one dilapidated unit during planning period.

COMMENTS/PROGRAMS

New Construction Programs: FmHA 502, FmHA 504, FmHA 515, FmHA 523/524, Pre-development Loan Fund, Second Dwelling Units.

Rehabilitation Programs: Small Cities CDBG, FmHA 502, FmHA 504, Self-Help Housing Program, County Special Circumstances Grants.

Lower Income Renters: Housing Authority administered Section 8 (existing) Program: One (1) unit is currently assisted under this program. Small Cities CDBG program: The City's sewer rehabilitation loan program requires a rent limitation agreement for all income property participants. Units must remain affordable to lower income households for a one year period.

Weatherization: PG&E's Community Weatherization Program and Redwood Community Action Agency Weatherization Assistance.

NOTE: Due to limited resources only a portion of total estimated needs can be addressed during the planning period. Considerable emphasis will be placed on actions by local residents, non-profit community organizations, and other private sector interests.

APPENDIX A

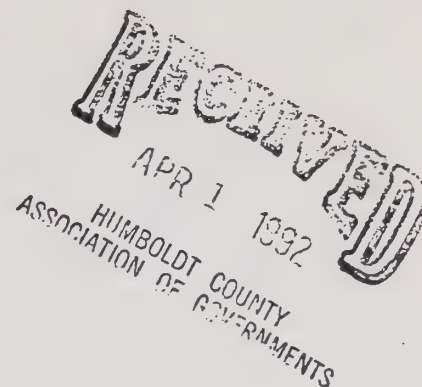
Humboldt County Draft Regional Housing Needs Plan, March 17, 1992
California Department of Housing & Community Development

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 THIRD STREET, Room 430
P.O. BOX 952053
SACRAMENTO, CA 94252-2053
(916) 323-3176 FAX (916) 323-6625



March 17, 1992



Spencer Clifton
Executive Director
Humboldt County Association of Governments
235 4th Street, Suite F
Eureka, CA 95501

Dear Mr. Clifton:

Enclosed is a draft regional housing needs plan for Humboldt County. In accordance with discussions with you, we prepared the plan for your consideration and distribution as a draft plan to your member governments.

If you find the plan satisfactory, please distribute it to the County of Humboldt and each city in the county for their review and comment prior to adoption. We have enclosed a copy of a letter we used in transmitting our draft plan for Shasta County. You may find it helpful as a model. Also enclosed is a copy of a letter transmitting our adopted Shasta County plan, which also may be helpful to you once you have adopted a plan and are sending it to Humboldt County jurisdictions for the statutory 90-day review period. In your transmittal letters, responses should be directed to you rather than to us.

If you would like to discuss the plan before distributing it, or if you have any questions, please contact Don Crow of my staff at (916) 323-3175.

We look forward to continuing to work cooperatively with you in planning to meet the housing needs of Humboldt County.

Sincerely,

Thomas B. Cook
Deputy Director

Enclosures

DRAFT

REGIONAL HOUSING NEEDS PLAN
FOR
HUMBOLDT COUNTY

January 1991 to July 1997

ADOPTED: __ (date) _____

EFFECTIVE DATE: __ (date) _____

A 90-day period for local governments to propose revisions began on
____ (date) _____ and expired on ____ (date) _____.

INTRODUCTION

This plan has been prepared as the regional housing needs plan for Humboldt County pursuant to the provisions of Section 65584 of the Government Code. The plan contains Humboldt County's share of the statewide housing need to July 1997 and allocates shares of that need to the County of Humboldt and each city in the county. The purpose of the plan is to provide the local governments in Humboldt County with their shares of the countywide housing need for inclusion in their housing elements by July 1, 1992.

The levels of household growth and construction need contained in this plan may be considered as minimum growth needs. Nothing in this plan should be taken to mean that a local government may not plan for more households than shown.

State law requires the regional housing needs plan for Humboldt County to include shares of regional housing need through the ending date of the next housing element update (July 1, 1997). Consistent with these requirements, the determinations of local shares of regional housing need shown in Tables 1 and 2 contain determinations of local shares of regional need for the period from January 1, 1991 to July 1, 1997. Table 1 contains the estimated number of households on January 1, 1991 by income group, the projected additional households by income group between January 1, 1991 and July 1, 1997, and the projected households by income group on July 1, 1997. Table 2 contains basic construction needs by income group through July 1997. It also shows the components which comprise the total. These include the existing shortage or surplus of units at the beginning of the planning period, the household growth allocations for the planning period, the number of vacant units needed because of the household growth, and the estimated number of normal market removals during the planning period. The methodology used in making the determinations contained in Tables 1 and 2 are described in the Methodology section of this plan.

Existing need is shown in both Tables 1 and 2. In Table 1, the "January 1, 1991" column shows the number of households, by income, who needed adequate housing as of the base date of the plan. In Table 2, the "1991 vacancy" need of -6 for Blue

TABLE 1
HUMBOLDT COUNTY
HOUSEHOLD PROJECTIONS BY INCOME GROUP
JANUARY 1, 1991 TO JULY 1, 1997

<u>Jurisdiction and Income Group</u>	<u>January 1, 1991 Number (%)</u>	<u>July 1, 1997 Number (%)</u>	<u>Jan. 1991 to July 1997 Number (%)</u>
Arcata			
Very Low	1,848 (30.0)	2,102 (29.5)	254 (26.4)
Other Lower	1,140 (18.5)	1,290 (18.1)	150 (15.6)
Moderate	1,201 (19.5)	1,396 (19.6)	195 (20.2)
Above Moderate	1,972 (32.0)	2,337 (32.8)	365 (37.8)
Total	6,161 (100.0)	7,125 (100.0)	964 (100.0)
Blue Lake			
Very Low	166 (33.0)	168 (32.0)	2 (9.1)
Other Lower	55 (11.0)	62 (11.8)	7 (31.8)
Moderate	111 (22.0)	113 (21.5)	2 (9.1)
Above Moderate	171 (34.0)	182 (34.7)	11 (50.0)
Total	503 (100.0)	525 (100.0)	22 (100.0)
Eureka			
Very Low	3,023 (27.0)	3,226 (26.7)	203 (22.9)
Other Lower	2,016 (18.0)	2,151 (17.8)	135 (15.25)
Moderate	2,463 (22.0)	2,598 (21.5)	135 (15.25)
Above Moderate	73,695 (33.0)	4,108 (34.0)	413 (46.6)
Total	11,197 (100.0)	12,083 (100.0)	886 (100.0)
Ferndale			
Very Low	158 (28.0)	161 (27.5)	3 (13.6)
Other Lower	79 (14.0)	86 (14.7)	7 (31.8)
Moderate	135 (23.0)	137 (23.3)	2 (9.1)
Above Moderate	192 (34.0)	202 (34.5)	10 (54.6)
Total	564 (100.0)	586 (100.0)	22 (100.0)

TABLE 1 (Continued)

HUMBOLDT COUNTY

HOUSEHOLD PROJECTIONS BY INCOME GROUP
JANUARY 1, 1991 TO JULY 1, 1997

<u>Jurisdiction and Income Group</u>	<u>January 1, 1991</u>		<u>July 1, 1997</u>		<u>Jan. 1991 to July 1997</u>	
	<u>Number</u>	<u>(%)</u>	<u>Number</u>	<u>(%)</u>	<u>Number</u>	<u>(%)</u>
Fortuna						
Very Low	823	(23.0)	996	(23.7)	173	(27.9)
Other Lower	609	(17.0)	714	(17.0)	105	(16.9)
Moderate	788	(22.0)	904	(21.5)	116	(18.6)
Above Moderate	1,361	(38.0)	1,588	(37.8)	227	(36.6)
Total	3,581	(100.0)	4,202	(100.0)	621	(100.0)
Rio Dell						
Very Low	377	(32.0)	400	(30.5)	23	(17.3)
Other Lower	176	(15.0)	203	(15.5)	27	(20.3)
Moderate	247	(21.0)	271	(20.7)	24	(18.0)
Above Moderate	377	(32.0)	436	(33.3)	59	(44.4)
Total	1,177	(100.0)	1,310	(100.0)	133	(100.0)
Trinidad						
Very Low	57	(33.3)	58	(35.0)	1	(9.1)
Other Lower	27	(15.8)	29	(20.0)	2	(18.2)
Moderate	39	(22.8)	41	(26.0)	2	(18.2)
Above Moderate	48	(28.1)	54	(19.0)	6	(54.5)
Total	171	(100.0)	182	(100.0)	11	(0.0)

TABLE 1 (Continued)

HUMBOLDT COUNTY

HOUSEHOLD PROJECTIONS BY INCOME GROUP
JANUARY 1, 1991 TO JULY 1, 1997

<u>Jurisdiction and Income Group</u>	<u>January 1, 1991</u>		<u>July 1, 1997</u>		<u>Jan. 1991 to July 1997</u>	
	<u>Number</u>	<u>(%)</u>	<u>Number</u>	<u>(%)</u>	<u>Number</u>	<u>(%)</u>
Unincorporated						
Very Low	5,786	(24.4)	6,279	(24.6)	493	(27.8)
Other Lower	3,899	(16.4)	4,220	(16.5)	321	(18.1)
Moderate	4,430	(18.7)	4,841	(19.0)	411	(23.2)
Above Moderate	9,599	(40.5)	10,147	(39.8)	548	(30.9)
Total	23,714	(100.0)	25,487	(100.0)	1,773	(100.0)
County Total						
Very Low	12,238	(26.0)	13,390	(26.0)	1,152	(26.0)
Other Lower	8,001	(17.0)	8,755	(17.0)	754	(17.0)
Moderate	9,414	(20.0)	10,300	(20.0)	886	(20.0)
Above Moderate	17,415	(37.0)	19,055	(37.0)	1,640	(37.0)
Total	47,068	(100.0)	51,500	(100.0)	4,432	(100.0)

The income group estimates were prepared by HCD using definitions contained in State and federal law as implemented by HUD and HCD. The definitions involve relationships to median incomes and family size adjustment factors. These relationships and factors were applied to 1980 income data.

TABLE 2
HUMBOLDT COUNTY

BASIC CONSTRUCTION NEEDS
JANUARY 1, 1991 TO JULY 1, 1997

BY COMPONENTS*:

	<u>Housing Units</u>				
	<u>Arcata</u>	<u>Blue Lake</u>	<u>Eureka</u>	<u>Ferndale</u>	<u>Fortuna</u>
Household Increase	964	22	886	22	621
1991 Vacancy Need	151	- 6	153	11	37
1997 Vacancy Need	62	2	63	2	38
Replacement Need 1991-1997	105	7	186	8	53
Total	1,282	25	1,288	43	749

	<u>Rio Dell</u>	<u>Trinidad</u>	<u>Unincorp.</u>	<u>County Total</u>
Household Increase	133	11	1,773	4,432
1991 Vacancy Need	1	- 2	150	495
1997 Vacancy Need	9	2	273	451
Replacement Need 1991-1997	17	3	368	747
Total	160	14	2,564	6,125

TABLE 2 (Continued)

HUMBOLDT COUNTY

BASIC CONSTRUCTION NEEDS
JANUARY 1, 1991 TO JULY 1, 1997

BY INCOME GROUP:

	<u>Housing Units</u>				
	<u>Arcata</u>	<u>Blue Lake</u>	<u>Eureka</u>	<u>Ferndale</u>	<u>Fortuna</u>
Very Low	338	2	295	6	209
Other Lower	200	8	196	14	127
Moderate	259	2	197	4	139
Above Moderate	485	13	600	19	274
Total	1,282	25	1,288	43	749

	<u>Rio Dell</u>	<u>Trinidad</u>	<u>Unincorp.</u>	<u>County Total</u>
Very Low	28	1	713	1,592
Other Lower	32	3	464	1,044
Moderate	29	2	595	1,227
Above Moderate	71	8	792	2,262
Total	160	14	2,564	6,215

*Basic Construction Needs were calculated using the formulas shown in the Appendix. The following were used in the calculations: for Arcata: a homeownership percentage of 43.2, a vacant-not-for-sale-or-rent percentage of 1.8, and an annual removal rate of .002; for Blue Lake: a homeownership percentage of 60.4, a vacant-not-for-sale-or-rent percentage of 3.0, and an annual removal rate of .002; for Eureka: a homeownership percentage of 50.7, a vacant-not-for-sale-or-rent percentage of 2.7, and an annual removal rate of .002; for Ferndale: a homeownership percentage of 62.2, a vacant-not-for-sale-or-rent percentage of 3.5, and an annual removal rate of .002; for Fortuna: a homeownership percentage of 62.2, a vacant-not-for-sale-or-rent percentage of 2.3, and an annual removal rate of .002; for Rio Dell: a homeownership percentage of 56.4, a vacant-not-for-sale-or-rent percentage of 2.8, and an annual removal rate of .002; for Trinidad: a homeownership percentage of 63.5, a vacant-not-for-sale-or-rent percentage of 10.5, and an annual removal rate of .002; for the Unincorporated Area: a homeownership percentage of 66.2, a vacant-not-for-sale-or-rent percentage of 10.3, and an annual removal rate of .002.

Lake and -2 for Trinidad means that there was a small surplus of units in those cities on January 1, 1991. The positive "1991 vacancy" need for the other cities and the Unincorporated Area mean that there was a shortage of vacant units compared to the minimum desirable vacancy level needed for the healthy functioning of the housing market.

Tables 1 and 2 also both contain determinations of projected need. Table 1 shows, by income group, the number of additional households each local government is to plan for. Table 2 shows the construction needed to accommodate, by income, the additional households by July 1997, including an allowance for normal market removals.

METHODOLOGY

Allocations of Household Growth

The July 1, 1997 household projection for Humboldt County was prepared by the California Department of Housing and Community Development (HCD) based on California Department of Finance household projections released in May 1991. The allocations of shares of household growth shown in Table 1 are based on a continuation of the household growth patterns that occurred between 1980 and 1991, with emphasis on patterns since 1985. The trend line method of allocation is based on assessment of the expected economic conditions within the county during the planning period compared to the prior decade and on a determination that adequate sites and public facilities were available throughout the county during the 1980s and will continue to be available during the planning period. Basing the growth allocations on trend line and economic expectations takes into consideration market demand for housing, type and tenure of housing need, existing and projected employment patterns, and existing commuting patterns and public transportation facilities.

Farmworker housing need is minimal in the county; and, to the extent it exists, it is included in the very low and other lower income allocations. Loss of units contained in assisted housing developments is not expected to be a factor during the planning period.

Allocations of Household Growth by Income

Four income groups are used in this plan. They are: Very Low, Other Lower, Moderate, and Above Moderate. Definitions for these terms are given in the Appendix.

A statutory requirement for regional housing needs plans is to "seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of lower income households." The allocations by income shown in Table 1 seek to reduce the lower income concentrations gradually. They provide for reducing the gap between jurisdictional percentages and the countywide percentages by approximately one-fourth during the course of the planning period.

Basic Construction Needs

The basic construction needs were prepared by, first, preparing each of the components shown in the "By Components" section of Table 2 and then determining the number of units needed by income group. The formulas used in calculating each of the components of the construction needs are shown in the Appendix. The ownership rates and the "vacant-not-for-sale-or-rent" rates were taken from the 1990 U.S. Census. They and the annual removal rates used in the calculations are shown at the bottom of Table 2.

The percentages used in allocating the total construction need by income group are the percentages shown in the last column of Table 1. This means that, for each local government, household growth and construction need are allocated by income using the same income group percentages.

USE OF THE PLAN

The principal use of the allocations in this plan is inclusion in the local housing element as the shares of regional housing need. By doing this, the local government is planning to accommodate its share of the projected growth of the county and to provide opportunities for all income groups to have access to housing throughout the county.

Because the base dates for regional housing needs plans are a year or more before the statutory deadline for housing element updates, typically additional units have been built during the time period between the base date of the regional housing needs plan and the adoption of the housing element update. Local governments may reduce their allocations of construction need by the number of units which have been completed since the base

date of this plan. Instructions for how to estimate the number of units completed by income group are available as part of a technical assistance package on housing element preparation which is available from HCD's Division of Housing Policy Development.

The shares of regional need contained in this plan are only a portion of the housing needs which are to be included in the local housing element. For example, housing elements are additionally required to include estimated affordability needs. This involves making estimates of the current number of lower income households (the very low and other lower income categories) who pay more than they can afford for housing.

Other existing needs which are to be included in housing elements but which are not included in this plan include estimates of overcrowding, of the needs of special groups, and of the number of housing units which are in substandard physical condition. Estimates of substandard units should include both estimates of the units which need rehabilitation and the units which are so substandard that they need to be removed.

The basic construction needs in this plan do not include allowances for all construction needs which result from the need to remove units which are beyond repair or are not economically feasible to repair. Units which are removed from the housing stock in the normal course of housing market activity (demolitions, changes to commercial use, etc.) are not necessarily the substandard units. Consequently, the basic construction needs are to be supplemented by estimates of construction needed because of the need to remove units which are in poor physical condition.

The determinations (shown in Table 2) that there was or was not a sufficient number of housing units on the beginning date of this plan were made without regard to the physical condition of the housing stock, both occupied and vacant. The local housing element should estimate the units which are in substandard condition and assess whether there is sufficient existing standard housing.

PLAN REVISION PROCESS

Local Revision Process

The adoption of this plan by the council of governments commences a 90-day period during which each of the local governments in Humboldt County may propose revisions to

the plan. If there are no proposed local revisions, this plan will become final on the expiration of the 90-day period.

If a proposed local revision is submitted to the council of governments during the 90-day period, the council has the 60-day period following the expiration of the 90-day local revision period in which to act. The council may approve the proposed local revision, modify its prior determination, or indicate why the proposed revision is inconsistent with the regional need. If the council does not accept a proposed revision, a public hearing may be requested within 30 days. The council of governments' final action on the local revision proposal shall constitute the local government's share of regional need which is to be included in the local housing element.

The standards and procedures for proposing local revisions, council of governments actions on them, and local government rights in the process are contained in Government Code Section 65584(c). A copy of that section is included in the Appendix.

Later Changes in the Plan

Prior to this year, state law permitted no changes in regional housing needs plans following completion of the statutory local revision process. Effective January 1, 1991, Government Code Section 65584(c)(5) provides for one type of change at a later date. The only change permitted is transfer of a portion of a county's allocation to one or more cities within the county. The transfer must meet the standards applicable to the original allocation of local shares of regional need and have the approval of the county, the affected cities, and the council of governments. Events which might lead to use of these provisions include major changes in the local economy, changes in annexation policies or agreements, and the incorporation of a new city.

APPENDIX

Contents:

1. Copy of Government Code Section 65584.
2. Definitions of Income Groups.
3. Formulas used in calculating basic construction needs (Table 2).
4. Copy of California Department of Finance estimates for January 1, 1991.

65584. . (a) For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county. The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, the loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions, and the housing needs of farmworkers. The distribution shall seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of lower income households. Based upon data provided by the Department of Finance, in consultation with each council of government, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the department relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region. Within 30 days following notification of this determination, the department shall ensure that this determination is consistent with the statewide housing need. The department may revise the determination of the council of governments if necessary to obtain this consistency. The appropriate council of governments shall determine the share for each city or county consistent with the criteria of this subdivision and with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588. The council of governments shall submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need. As part of the allocation of the regional housing need, the council of governments, or the department pursuant to subdivision (b), shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. The department shall submit to each council of governments information regarding the assumptions and methodology to be used in allocating the regional share of the statewide housing need. As part of its determination of the regional share of the statewide housing need, the department shall provide each council of governments with data describing the assumptions and methodology used in calculating its share of the statewide housing need. The councils of governments shall provide each city and county with the department's information.

(b) For areas with no council of governments, the department shall determine housing market areas and define the regional housing need for cities and counties within these areas pursuant to the provisions for the distribution of regional housing needs in subdivision (a). Where the department determines that a city or county possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and

regional housing needs, the department shall delegate this responsibility to the cities and counties within these areas:

(c) (1) Within 90 days following a determination of a council of governments pursuant to subdivision (a); or the department's determination pursuant to subdivision (b), a city or county may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in subdivision (a). The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation.

(2) Within 60 days after the time period for the revision by the city or county, the council of governments or the department, as the case may be, shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.

(A) If the council of governments or the department, as the case may be, does not accept the proposed revision, then the city or county shall have the right to request a public hearing to review the determination within 30 days.

(B) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(C) The date of the hearing shall be at least 30 days from the date of the notification.

(D) Before making its final determination, the council of governments or the department, as the case may be, shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographic restraints on the production of housing.

(3) If the council of governments or the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the council of governments or the department grant a revised allocation pursuant to paragraph (1), the council of governments or the department shall ensure that the current total housing need is maintained. If the council of governments or department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share which was originally determined by the council of governments or the department.

(4) The determination of the council of governments or the department, as the case may be, shall be subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

(5) The council of governments or the department shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(A) One or more cities within the county agree to increase its share or their shares in an amount which will make up for the reduction.

(B) The transfer of shares shall only occur between a county and cities within that county.

(C) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(D) The council of governments or the department, whichever assigned the county's share, shall have authority over the approval of the proposed reduction, taking into consideration the criteria of subdivision (a) of Section 65584.

(6) The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision. All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship.

(d) (1) Except as provided in paragraph (2), any ordinance, policy, or standard of a city or county which directly limits, by number, the building permits which may be issued for residential construction, or which limits for a set period of time the number of buildable lots which may be developed for residential purposes, shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(2) Paragraph (1) does not apply to any city or county which imposes a moratorium on residential construction for a set period of time in order to preserve and protect the public health and safety. If a moratorium is in effect, the city or county shall, prior to a revision pursuant to subdivision (c), adopt findings which specifically describe the threat to the public health and safety and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that threat.

(e) Any authority to review and revise the share of a city or county of the regional housing need granted under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

(f) A fee may be charged interested parties for any additional costs caused by the amendments made to subdivision (c) by Chapter 1684 of the Statutes of 1984 reducing from 45 to seven days the time within which materials and data shall be made available to interested parties.

(g) Determinations made by the department, a council of governments, or a city or county pursuant to this section are exempt from the provisions of the California Environmental Quality Act; Division 13 (commencing with Section 21000) of the Public Resources Code.

Definitions of Income Groups

The income limits for a four-person household in Humboldt County are the following:

Very Low Income Income not exceeding 50% of area median family income.

Other Lower Income Income between 50% and 80% of area median family income.

Moderate Income Income between 80% and 120% of area median family income.

Above Moderate Income Income exceeding 120% of area median family income.

Income limits for other household sizes are calculated using household size adjustment factors. For example, the income limit for a one-person household for any income level is .7 times the four-person income limit for that income level.

In Humboldt County area median family income is the higher of the county median family income or the statewide nonmetropolitan median family income, as estimated by the U.S. Department of Housing and Urban Development (HUD).

Basic Construction Needs Calculations

1. Determine Total Housing Units Needed in July 1997:

Owner households = July 1997 households X Homeownership factor

Owner Units Needed = Owner households ÷ 0.98 (100% - 2% owner allowance)

Renter households = July 1997 households X Rentership factor

Renter Units Needed = Renter households ÷ 0.94 (100% - 6% renter allowance)

Other Vacant Units Needed =

(Owner Units Needed + Renter Units Needed) ÷ (100% - other vacant allowance)

Total Housing Units Needed in July 1997 =

Owner Units Needed + Renter Units Needed + Other Vacant Units Needed

2. Determine New Housing Units Needed to accommodate growth 1991 to 1997:

Units needed to accommodate growth = Units needed in 1997 - Units on Jan. 1,
1991

3. Determine Expected Normal Market Removals 1991 to 1997:

Average existing units 1991 to 1997 = $\frac{\text{Units needed in 1997} + \text{Units Jan. 1991}}{2}$

Removals per year = Average existing units 1991 to 1997 X 0.002

Total years Jan. 1991 to July 1997 = 6.5 years

Expected Normal Market Removals 1991 to 1997 = Removals per year X 6.5

4. Determine Basic Construction Need 1991 to 1997

Basic Construction Need 1991 to 1997 =

Units Needed for Growth + Expected Normal Market Removals 1991 to 1997

DEPARTMENT OF FINANCE ESTIMATES
FOR JANUARY 1, 1991

CALIFORNIA DEPARTMENT OF FINANCE
DEMOGRAPHIC RESEARCH UNIT

REPORT E-5 PRELIM
PAGE 13

HUMBOLDT COUNTY POPULATION AND HOUSING ESTIMATES
JANUARY 1, 1991

PRINTED
05/03/91

CONTROLLED		----- POPULATION -----		----- HOUSING UNITS* -----			PERSON PER HOUSE- HOLD
<u>CITY</u>	<u>TOTAL</u>	<u>HOUSE- HOLD</u>	<u>GROUP QUARTER</u>	<u>TOTAL</u>	<u>OCCUPIED</u>	<u>PERCENT VACANT</u>	
ARCATA	15378	14080	1298	6406	6161	3.82	2.285
BLUE LAKE	1249	1249	0	544	503	7.54	2.483
EUREKA	27289	26400	889	11836	11197	5.40	2.358
FERNDALE	1324	1324	0	595	564	5.21	2.348
FORTUNA	8904	8724	180	3763	3581	4.84	2.436
RIO DELL	3052	3045	7	1258	1177	6.44	2.587
TRINIDAD	365	364	1	200	171	14.50	2.129

TOTAL INCORPORATED	57561	55186	2375	24602	23354	5.07	2.363

UNINCORPORATED	63421	62389	1032	27215	23714	12.86	2.631

COUNTY TOTAL	120982	117575	3407	51817	47068	9.16	2.498

* HOUSING UNITS BY TYPE FROM THE 1990 CENSUS HAVE NOT BEEN RELEASED.
WE EXPECT THEM TO BE AVAILABLE FOR THE 1992 E-5 REPORT

Name: Michael Sweeney
Time In: 9:41:13 AM
Time Out: 11:07:06 AM
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Total Charge: \$77.55

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CITY OF FERNDALE
UPDATE OF HOUSING ELEMENT

SUMMARY HOUSING NEEDS ASSESSMENT

	<u>1980</u>	<u>1990</u>
Population	1367	1331
Households	541	566
Average size of Household	2.53	2.35
Female Head (no spouse)	39	47
Elderly	200	208

* * *

Basic Construction Needs (1991-1997)	43 @ 7.16 units/ year*	40 @ 6.66 units/ year**
---	------------------------------	-------------------------------

*State Housing & Community Development Figures

**City of Ferndale Planning Study, Average building permits for
new construction 1989-1991

* * *

State HCD Projections	Very Low	6
	Other Lower	14
	Moderate	4
	Above Moderate	<u>19</u>
		43

TABLE 1
POPULATION GROWTH
1940 - 1990

			FERNDAL AS PERCENTAGE OF HUMBOLDT		
<u>YEAR</u>	<u>HUMBOLDT COUNTY</u>	<u>PERCENTAGE CHANGE</u>	<u>FERNDAL AS COUNTY</u>	<u>PERCENTAGE CHANGE</u>	<u>PERCENTAGE OF HUMBOLDT COUNTY</u>
1940	45,812	-	900	-	1.96%
1950	69,241	51.10%	1,030	14.4%	1.48%
1960	104,892	51.40%	1,120	8.7%	1.06%
1970	99,692	-4.90%	1,352	20.7%	1.36%
1975	105,030	5.30%	1,360	0.6%	1.30%
1980	108,514	3.30%	1,367	0.5%	1.30%
1985	111,400	2.70%	1,460	6.8%	1.30%
1988	114,900	3.10%	1,493	2.3%	1.30%
1990	119,118	3.67%	<u>1,331</u>	-10.85%	1.11%

SOURCES: 1990 Census of Population & Housing, US Census Bureau.
California Department of Finance (February, 1988).

The largest single yearly increase in the last eight year period was between 1982 and 1983, which saw an increase of 5.1%. This increase coincided with the completion of the expansion of the Navy's Fairview housing complex. The largest single yearly decrease within the last 10 years was the -10.85% over the period 1988 to 1990., according to State Department of Finance Figures. The City 's population decline by 36 from 1980 to 1990 according to 1990 Census figures.

2.11.2 Population Projections

In 1986, the State Department of Finance published their population projections for counties in California through the year 2020. The State projections for Humboldt County are portrayed in Table 2. Assuming the City of Ferndale maintains its current 1.3 percent share of Humboldt County population, Ferndale is projected to grow to 1,520 in 1990, 1,546 in 1995 and 1,560 in the year 2000. These figures are overshadowed by 1990 Census figures that reported an actual decline in population.

2.20 HOUSEHOLD CHARACTERISTICS & SPECIAL NEEDS HOUSEHOLDS

A household is any group of people living together in a residence, related or unrelated. A survey of household characteristics is useful to determine household size trends, incomes, overcrowding or underutilization of housing, and the amount of special needs households such as large families and female-headed households. All of these characteristics can point to planning needs.

2.21 Size & Number of Households

The City had 566 households in 1990. Average household size has decreased from 2.90 in 1970 to 2.53 in 1980 and further to 2.35 in 1990.

TABLE 9

FERNDAL HOUSEHOLDS

	<u>1970</u>	<u>1980</u>	<u>1990</u>
Households	466	541	566
Population	1,352	1,367	1,331
Average Size of Households	2.90	2.53	2.35

2.22 Elderly Households

The 566 households in Ferndale include 158 households (27.9%) with one or more persons 65 years of age or older.

Elderly householders occupy their own dwelling in most cases. Of the 142 housing units occupied by an elderly head of household, 134 units, or 94.3 %, are owner occupied. There are 8 rental housing units occupied by an elderly head of household.

The economic plight of the elderly can be viewed in the following statistics. The elderly comprise only 15.7 % of Ferndale's population but make up only 18.1 % of all persons in poverty. Of elderly-headed households, 12.5% live

elderly represent nearly 38% of this group. Ninety-one percent of elderly poverty households are one and two person households.

OTHER LOWER	57 (11%)	70 (12%)	81 (13%)	82 (13%)	82 (13%)	83 (13%)
MODERATE	121 (23%)	157 (27%)	155 (25%)	157 (25%)	158 (25%)	159 (25%)
ABOVE MODERATE	204 (38%)	192 (33%)	224 (36%)	226 (36%)	228 (36%)	230 (36%)
TOTAL	529	582	621	628	633	638

¹ 1984 and the 1989-1992 figures were developed by the California Department of Housing and Community based on estimates of total households provided by the California Department of Finance.

SOURCE: California Department of Housing and Community Development, Humboldt County Regional Housing Needs Plan, Adopted by HCAOG October 25, 1984

U.S. Census.

The structure of households according to income groups is expected to remain essentially the same between 1984 and 1992.

The second type of projections are estimates, based on the total household projections, of the total number of new housing units that should be constructed between 1984 and 1989, and for the subsequent years 1990, 1991 and 1992 to meet the needs of new households expected to reside in Ferndale. According to the Humboldt County's Regional Housing Needs Plan, 61 units need to be built in Ferndale between 1984 and 1989, or 70 units between 1984 and 1990. Between 1984 and 1992, 83 new housing units will be needed. These estimates include allowances for vacancies and normal market removals (torn down, destroyed by fire, converted to other use, etc.). Basic new construction needs for Ferndale are shown in Table 37.

TABLE 37
BASIC CONSTRUCTION NEEDS
FERNDALE

	1984 to 1989	1984 to 1990	1984 to 1991	1984 to 1992	1991 to 1997
Construction Needed (Cumulative)	61	70	77	83	43

SOURCE: Housing Needs Plan, HCAOG, October 25, 1984, Appendix A.
1991 to 1997, Dept. of Housing & Community Development, March 17, 1992

In reviewing these projections, an evaluation of the estimated construction needs as compared with historic growth trends is in order. The Basic Construction Needs figures shown in Table 37 for 1991 to 1997 would convert to an annual construction rate of 7.16 units per year or an increase of 43 units by 1997. Using a household population size of 2.35 persons per household, an increase in population of 101 persons over the 1990 population (1,331) would be anticipated. This increase is not likely given the historic decline in overall population and decrease in average size of households.

The average number of building permits for new construction of residential dwelling units between 1989 and 1991 is 6.66 (ranging from 4 to 10) in spite of an overall population decline. If the current average of 6.66, which responds to market demand, holds for the remainder of the planning period (1997), the City will likely see 40 additional housing units constructed closely approximating the projected housing needs of 7.16 units per year.

2.52 Projected New Construction Needs

Table 38 summarizes Ferndale's total projected needs by income groups for new construction to accommodate both expected growth and existing deficiencies.

TABLE 38
PROJECTED TOTAL NEW CONSTRUCTION NEEDS
BY INCOME GROUP
1991 - 1997

CITY OF FERNDALE

	<u>Number of Units</u>
VERY LOW	6
OTHER LOWER	14
MODERATE	4
ABOVE MODERATE	<u>19</u>
TOTAL	43

TABLE 42
VACANT LAND & DWELLING UNIT CAPACITY
CITY OF FERNDALE - 1991

<u>Zoning</u>	<u>VACANT LAND</u> (in acres)	<u>POTENTIAL DWELLING UNITS¹</u>	
	<u>Total</u>	<u>Density du/ac</u>	<u>Total City</u>
RSB5	4.5	1 DU/1.5 AC	3
RS	13.7	1 DU/AC	13
R1B2	18.6	4 DU/AC	74
R1B3	2.47	2 DU/AC	5
R1	45.66	7 DU/AC	315
R2	4.74	14 DU/AC	66
R3	-	21 DU/AC	-
R4	0.0	21+ DU/AC	-

¹ Calculation of potential number of dwelling units based upon maximum number of units allowed by zoning multiplied by total vacant acreage in the zone.

SOURCE: City of Ferndale, Planning Department Land Inventory (March 1992).

According to Table 42, 476 dwelling units could be developed on Ferndale's vacant parcels. Actual development would likely occur at much lower unit density. Even so, this vacant acreage would physically accommodate the projected new construction needs of 43 units indicated in Table 37.

Beyond the vacant residentially zoned land, there is considerable residential land which is "under-utilized" (partially developed lots with sufficient land area to be further subdivided or developed, if multi-family). Within the 201 acres of R1 (Residential One-Family) District, 50 acres, fall within the under-developed lot definition. Of these 50 acres, 30 acres are undeveloped with few constraints to development. This additional land would add on

TABLE 47

HOUSING PROGRAMS MATRIX

NO.	POLICY NO.	PROGRAM	FUNDING SOURCE			SCHEDULE			
			AGENCY FEDERAL/STATE	CITY	OTHER	89/90	90/91	91/92	92/93
1	A-5	Density Bonus		X				X	
2	A-4	Secondary Residential Units		X		E	x	x	x
3	A-3	Mobile Home Parks in Single-Family Residential Zone		X				x	
4	B-2 B-3 B-4	Funding for Housing Rehabilitation	X		X			x	
5	C-1 C-2	Fair Housing Information		X			x		
6	E-2	Weatherization and Self-Help Housing Program Information		X	X		x		
7	A-2 F-1 A-12	Vacant Land Inventory and Building Activity Report Update	X	X		E	x		x
8	D-1 D-2	Funding for Drainage and Sewer Facilities	X	X	X		x		x
9	A-1 A-2	Evaluate Zoning Regulation Re: Reclassification of Lower Density Lands.		X				x	
10	A-8 A-6 A-7 A-8	Funding for Affordable Housing	X	X			x		x
11	A-9 A-10 A-11	Non-Profit Housing Sponsor		X	X		x		
12	B-5 A-14	Building Regulations		X			x		

NOTE: E' denotes an on-going City program.

State Mandated Policy

Goal A: TO ASSURE THE PROVISION OF A VARIETY OF HOUSING TYPES TO MEET THE NEEDS OF ALL ECONOMIC SEGMENTS OF THE COMMUNITY AND GROUPS WITH SPECIAL HOUSING REQUIREMENTS.

Policy 3. Allow development of single mobile homes and mobile home parks in residential zones in accordance with the requirements of Government Code Sections 65852.3 and 65852.7, and where consistent with local regulations.

Goal A; policy 3., addresses development of mobile home parks in residential zones to comply with state-mandated laws. Currently, mobile home parks are allowed in R-3 and R-4 zones but not in R1 & R-2. Mobile home parks need to be allowed in R1 and R2 to comply with state law.

Recommendation:

To amend the zoning ordinance for R-zones to allow mobile homes parks with units 10 years old or newer on a minimum of 5 acres with a use permit.

Goal A Policy 5. Allow density bonuses for developments containing at least 25% of the units for low or moderate income households or at least 10% of the units for lower-income households as provided in Government Code Section 65915, and where consistent with local regulations.

Goal A; policy 5. addressess density bonuses for developments containing at least 25% of the units for low or moderate income households or at least 10% of the units for lower-income households as provided in Government Code Section 65915, and where consistent with local regulations. Currently, the City has no density bonus program and needs to in order to comply with state law.

Recommendation:

To develop a density development ordinance that deals with incentives and tradeoffs with the main criteria being continued affordability of residential units.



DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

OFFICE OF THE DIRECTOR

1800 THIRD STREET, Suite 450

P.O. BOX 952051

SACRAMENTO, CA 94252-2051

(916) 445-4775 FAX (916) 323-2815

August 6, 1992

Mr. Ron Richardson, Mayor
City of Ferndale
834 Main Street
P.O. Box 236
Ferndale, California 95536

Dear Mr. Richardson:

Re: Review of the City of Ferndale's Draft Housing Element
Update

Thank you for submitting Ferndale's draft housing element update, received for our review on June 22, 1992. As you know, we are required to review draft housing elements and report our findings to the locality (Government Code Section 65585(b)).

Our review has been facilitated by a telephone conversation on August 5, 1992 with Mr. Michael Sweeney, of your staff. This letter and appendix summarize the conclusions of that discussion.

Ferndale's draft housing element is a well-organized planning document which includes much useful information about the City. However, we note that this submittal, was not substantially revised from the City's previous submittal. While this may be appropriate for some parts of the element, the update should reflect a more thorough review of the previous element and analysis of current conditions. We understand that some analysis were not changed because of lack of 1990 Census data or other more current information. For your information, the housing element update is not necessarily restricted to quantified data, part of the information can be based on knowledge of specific circumstances in the City.

As noted, there are several areas which require revision to bring the element into compliance with state housing element law (Article 10.6 of the Government Code). In particular, the element should update the housing needs assessment and should include a review of the City's implementation of the previous housing element. These and other recommended changes are summarized in the appendix.

We are concerned regarding the City's efforts to address the housing needs of all income groups. Based on new housing development over the previous planning period, it appears that the City is not actively promoting the development of affordable owner units, multifamily rental units, or housing suitable for special need groups. A review of City housing prices and available units indicates a lack of such units which may make it difficult and financially onerous for younger households and households employed in lower-paying positions to find suitable housing. Moreover, the element shows that a substantial proportion of these households are paying more than 25 percent of their income for housing. Further, more than 28 percent of all households are over 65, over 55 percent of these live alone, yet there are no City options available to address the future needs of these households. The City's 1992 housing program should more aggressively target these needs.

We understand that smaller communities such as Ferndale may not have the staff resources to apply for and manage state and federal programs. However, the County housing authority may be able to act for the City or the City could facilitate applications from area non-profit housing groups (Redwood Community Action Agency or the Rural Communities Housing Development Corporation). For example, these groups are eligible applicants for the Department's Owner/Renter Rehabilitation programs which have rural set-asides for smaller jurisdictions. The programs have funding available for seismic repairs, general rehabilitation, and purchase and rehabilitation of residential hotels. Nevertheless, to facilitate the development of affordable housing, the City should provide higher density zoning opportunities, encourage use of state density bonus law, and provide other appropriate incentives.

For your information, Chapter 889, Statutes of 1991, amended housing element law, effective January 1, 1992. A current copy of the amended statute is enclosed (new or revised language is underlined). The appropriate revisions, outlined in the appendix, will have to be addressed during the update of the housing element.

Ferndale should be aware that Chapter 889 also requires localities to furnish special districts and private entities that provide retail water services or sewer services in the locality with a copy of the adopted housing element and any amendments to the adopted element. These entities are required to grant existing and projected water and sewer service priority to housing development proposals which help meet the locality's needs for lower-income housing.

Mr. Ron Richardson
Page 3

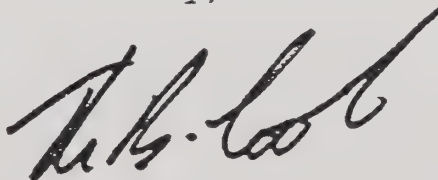
In order to assist local governments in implementing their housing programs, this Department will be allocating funds from the HOME Investment Partnership Program (HOME), one of the new federal housing programs created by the 1990 National Affordable Housing Act. Local governments can use HOME funds to expand the resources available for housing rehabilitation, acquisition of land and structures, tenant based rental assistance and under certain circumstances, new construction. As you are aware, Ferndale is an eligible applicant for HOME funds. The first Notice of Funding Availability (NOFA) is scheduled to go out to eligible applicants within the next few weeks.

This Department's draft HOME program regulations include housing element status as a rating factor in the competitive application process for HOME funds. Jurisdictions with an adopted housing element that is in compliance with state housing element law as determined by this Department will receive significant extra points if their application has met the threshold criteria. Points will be awarded to jurisdictions with an adopted housing element in compliance on or before the date HOME applications are due to the state. For more information on the HOME program you may wish to contact Chris Webb-Curtis of this Department at (916) 327-3586.

We hope our comments are helpful. We appreciate Mr. Sweeney's cooperation during our review. If you have any questions or would like assistance in the revision of your housing element, please contact Camilla Cleary of our staff at (916) 323-3185.

In accordance with their requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the individuals listed below.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T.B. Cook', written in a cursive style.

Thomas B. Cook
Deputy Director

Enclosure

Mr. Ron Richardson

Page 4

cc: Michael Sweeney, Planner, City of Ferndale
Spencer Clifton, Humboldt County Association of Governments
Kathleen Mikkelsen, Deputy Attorney General
Bob Cervantes, Governor's Office of Planning and Research
Dwight Hanson, California Building Industry Association
Kerry Harrington Morrison, California Association of
Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Wiener, California Coalition for Rural Housing
Susan DeSantis, The Planning Center

APPENDIX

City of Ferndale, August 6, 1992

The following changes would bring Ferndale's housing element into compliance with Article 10.6 of the Government Code. Preceding each recommended change we cite the supporting section of the Government Code. The particular program examples or data sources listed are suggestions for your information only. We recognize that Ferndale may choose other means of complying with the law.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element (Section 65588 (a) and (b)).

In our opinion, the review requirement is one of the most important features of the housing element update. The analysis will enable the City to evaluate its success in remedying substandard housing conditions; conserving affordable housing; providing housing opportunities for lower-income households; and will indicate areas of housing need requiring more effort on the part of the City.

There are three parts to the information which should be provided:

1. "Effectiveness of the element" (Section 65588(a)(2)):

A description of the actual results of the earlier element's goals, objectives, policies, and programs. The results should be quantified where possible (e.g., rehabilitation results), but may be qualitative where necessary (e.g., mitigation of governmental constraints).

The analysis of the previous housing element should specifically review the housing element's goals, policies, objectives, and programs.

The review, in our opinion, should include a description of the actual results of each program action. This approach will facilitate the "progress in implementation" analyses.

2. "Progress in implementation" (Section 65588(a)(3)):

An analysis of the significant differences between what was projected or planned in the earlier element and what was achieved.

The review should analyze the City's accomplishments over the planning period. This information provides the basis for developing a more effective housing program. The analyses of City actions should determine what was accomplished; which actions were most effective; why an action was or was not effective; and, which actions should be included, strengthened, or deleted in the updated housing element.

3. *"Appropriateness of goals, objectives and policies" (Section 65588(a)(1)):*
A description of how the goals, objectives, and programs of the updated element incorporate what has been learned from the results of the prior element.

B. Housing Needs, Resources, and Constraints

1. *Analyze household and housing unit characteristics including the overcrowding (Section 65583(a)(2)).*

The element should evaluate the incidence of overcrowding among owner and renter households separately. Programs to address identified need vary by tenure. Overcrowded owner households may need a rehabilitation program. Renter households are more captives of the market, rental units tend to have fewer bedrooms. For example, as a result of this analysis, the City might wish to expand the rehabilitation program to allow room additions for severely overcrowded owner households and provide various incentives to multifamily developers to encourage development of units with three or more bedrooms.

We have sent 1990 census data under separate cover to facilitate this analysis.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels, including land use controls, on- and off-site requirements and processing and permit procedures (Section 65583(a)(4)).*

Although local ordinances are enacted to protect and further the general welfare, it may be useful to periodically reexamine local ordinances and policies to determine whether, under current conditions, they are accomplishing their intended purpose. Such an examination may reveal that in practice the ordinance or policy may contain excessive performance standards and is so restrictive as to operate as an unwarranted constraint. Where such unwarranted constraints are

identified, the element should include program responses to mitigate the effects of the constraint.

Although the element includes a general discussion of these items, it does not describe current City regulations and procedures, any changes made over the previous planning period, nor analyze their impact on the development or improvement of housing.

- a. The land use controls analysis should describe and analyze, for single family and multifamily projects, requirements relating to zoning, density, development standards (e.g., lot coverage, setbacks, unit size), parking requirements, open space requirements, and design review standards. The land use analysis should also discuss the City policies relating to new state regulations pertaining to density bonus law, mobilehomes, and second units.
 - b. Identify and analyze on- and off-site requirements such as curbing, street widths and circulation improvements.
 - c. The analysis of processing and permit procedures should specify the average time between application and issuance of the building permit for typical development and rehabilitation projects. The element should include information on permit processing procedures. Does the City encourage pre-application conferences, allow concurrent processing, provide one-stop processing or otherwise expedite the approval process?
 - d. The element should describe, itemize, and analyze any changes to the fee structure since the adoption of the last element.
 - e. The element should analyze the impact of the City's Historic Preservation ordinance as a potential constraint to the development of affordable housing.
3. *Include an analysis of the availability of financing and the cost of construction, and the price of land as a potential and actual nongovernmental constraint upon the maintenance, improvement, or development of housing for all income levels (Section 65583(a)(5)).*

The analysis of the availability of financing should consider whether financing is still generally available, and whether there are under-served areas or

income groups in the community for new construction or mortgage and rehabilitation loans.

The cost of construction and price of land should reflect current conditions in the Ferndale.

The analysis of construction costs should focus on the total cost to the developer, including land, fees, material, labor, and financing.

4. *Analyze the special housing needs of elderly, large families (five or more persons), and families with female heads of households (Section 65583(a)(6)).*

The element includes a general discussion of the above groups, but lacks a clear definition or quantification of need. An adequate analysis of these characteristics should include the total number of households or housing units in each group; an analysis of the nature of the need; an estimate of the amount of the need; and identification of potential solutions and resources to address the need, including existing units or funding available through State, federal, and local housing programs. This analysis provides the basis for an important part of the development of the City's housing programs. The census data, referred to above, will assist with the analysis.

Elderly: The element should include the total number of elderly households, the incidence of elderly households among owner households and among renter households, identify resources currently available to the elderly household and include an estimate of the number of elderly households with special housing needs.

Large Households and Female Head of Households: The element should include an estimate of the number of households in each group with special housing needs.

Estimate of Need: The estimate of need should be based on local information. The City might wish to contact providers to help target need. For example, data may be available for Ferndale on the number of female heads of households receiving AFDC; families receiving the special AFDC homeless assistance; housing authority waiting lists for larger units, elderly/handicapped units, and farmworker units; and the general waiting list for public units or Section 8 certificates and vouchers.

5. *The element should include an analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916 (Section 65583(a)(8)).*

We are sending Mr. Sweeney technical assistance materials to facilitate the City's response to these requirements.

C. Quantified Objectives

Establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over the planning period of the element (Section 65583(b)).

The quantified objectives are the same as the previous housing elements. They should be updated based on the City's new construction need and other needs identified in the housing element.

Within the quantified objective for the number of units to be conserved, include, if appropriate, an objective for the number of assisted multifamily rental units at risk of losing government assistance over the next ten years (from earlier inventory) to be preserved over the five-year period of the housing element.

The law was amended, effective January 1, 1992, to require that the quantified objectives establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period. This requirement could be addressed by utilizing a matrix like the one illustrated below:

Quantified Objective	New Construction	Rehab	Conservation
Very Low-Income			
Low-Income			
Moderate-Income			
Above Moderate			

These objectives may include private activity as well as City planned activity. For example, the construction objective might include developments which require only City review and approval, as well as units to be developed as a result of the City's housing program.

D. Housing Programs

1. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public facilities and services needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory built housing, mobilehomes, emergency shelters, and transitional housing in order to meet the community's housing goals ... Where the inventory of sites does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households(Section 65583(c)(1)).*

We note that there is only one half acre of high density multifamily zoned land vacant. The City's new construction need for lower-income households is 20 units, however, a site of this size (0.5 acre) may not provide sufficient potential to facilitate high density development. Therefore, the element should either demonstrate housing affordable to lower-income households can be developed on R2 zoned land at 14 units per acre, given current City land prices, or rezone some land for higher density use, as is discussed in Action 9. Based on the above analyses, Program Action 9 should be revised to identify more specific actions the City will implement over the planning period.

2. If appropriate, pursuant to item B.2, above, include program actions to remove or mitigate governmental constraints to the maintenance, improvement, or development of housing (Section 65583(c)(3)).

Without a complete constraints analysis it is not possible to evaluate the City's response.

3. Include program actions to assist in the development of adequate housing to meet the needs of low- and moderate-income households (Section 65583(c)(2)).

We note that the City's housing program is exactly the same as that of the previous housing element. Without a review of the previous housing element (Item A, above), it is difficult to evaluate the appropriateness of the City's housing program.

Moreover, the City should be take a more active role in assisting in the development of housing for those households currently unable to find appropriate housing. For example, the City could solicit the involvement of developers experienced in using FmHA 515 programs and encourage their interest by assisting in the identification an appropriate site and actively encouraging the use of state density bonus law, and the City could seek the support of the Humboldt County Housing Authority or nonprofit developers in applying for state and federal housing programs.

4. Expand the City's program actions to promote equal housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color (Section 65583(c)(5)).

A fair housing program should include an information dissemination component to educate the public concerning the services provided. Some localities post information notices in public places, such as libraries, post offices, and community centers, and advertise the service through the local media. To reach the widest possible audience, we suggest informational flyers be made available in both Spanish and English.

E. Public Participation

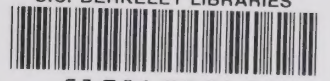
Describe the City's efforts to achieve participation of all economic segments of the community in the development of the housing element (Section 65583(c)).

The element should demonstrate how the City made a "diligent" effort to achieve the participation of all economic segments of the community (including lower-income households) in the development of the housing element. In addition to holding public hearings at the planning commission and governing body level, the City could circulate its draft element to church groups, housing groups, social service agencies, and community and senior groups. Notices regarding public meetings on the element could also be posted in community centers, libraries, city hall, and throughout the community in public places. We also suggest the City consider noticing public hearings in both Spanish and English.

F. Consistency

Describe the means by which consistency will be achieved with other general plan elements and community goals (Section 65583(c)).

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